

**FBIS****DAILY REPORT  
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RENMIN RIBAO VIEWS U.S.-SOVIET VIENNA MEETING

HK090853 Beijing RENMIN RIBAO in Chinese 8 Nov 86 p 6

["Jottings" by Sai Bei (1049 0554): "My View of the Vienna Meeting"]

[Text] U.S. Secretary of State Shultz's meeting with Soviet Foreign Minister Shevardnadze on 5 and 6 November in Vienna ended in vain. Viewed from the information disclosed, the reason lies in their continued divergence of views on space weapons.

It is by no means accidental that the meeting took place after the United States' mid-term election on 4 November. Both sides wanted to see what impact the results of the election would have on President Reagan and the Republican Party to decide what policy to adopt at the meeting. The results of the election were unfavorable to the Republican Party. The Democratic Party won the majority of seats in the Senate and the House of Representatives. Thus, Congress can further restrain the White House. The last 2 years of this term of office will be a very hard time for President Reagan. Moreover, there will be endless debate on budgetary deficits, military spending, and other issues between Congress and the White House.

The political situation in the United States has been reflected in Vienna. Shultz will not make any concession on space weapons. It seems that Shevardnadze will also not mention a word about space weapons though he promised some Soviet disarmament experts that certain agreements could be reached. One side intends to make use of the situation, while the other is trying by every means to resist, which actually leads to an impasse.

Naturally, U.S.-Soviet dialogue will continue after the Reagan administration can take a respite from the failure in the mid-term election. So far, neither side can say that it has gained superiority in the arms race. As a result, they dare not plunge into an unpredictable head-on confrontation. Dialogue is one of their means of rivalry as well as a brake to prevent imbalance of power in their rivalry for global superiority. The strategy of the Soviet Union is to impede the United States' Star Wars plan through the talks, while the strategy of the United States is to develop space weapons to hinder the pace of the Soviet Union's economic development. No matter who or whichever party comes to power, their strategies will not change.

PRC CALLS FOR EFFECTIVE SANCTIONS AGAINST RSA

OW080138 Beijing XINHUA in English 0129 GMT 8 Nov 86

[Text] United Nations, November 7 (XINHUA) -- China today called for more international coordination to increase pressure on South Africa through sanctions.

At a General Assembly debate on apartheid, Chinese Ambassador Li Luye said effective sanction would accelerate an end to the racist system, bring an end to South African aggression, and give Namibia independence while bringing peace to the region.

He said that the pressure would be increased if the assembly strongly condemned the South African authorities and called on them to release Nelson Mandela and other black leaders immediately.



As well, Security Council sanctions, strict compliance with that council's arms embargo against South Africa, international support for people in the region would increase pressure, the Chinese ambassador said.

Recently the struggle of the South African people against apartheid was unprecedented, "in terms of its scale, the scope of its social strata involved and its abiding vitality", Li said.

Li noted that the struggle has become a broad movement of global proportions and many Western countries have taken certain sanctions individually or collectively. He condemned the South African authorities who are in "an unprecedented isolation" for their vigorous suppression of foes of apartheid, noting that more than 20,000 people had been arrested and detained since they declared a nationwide state of emergency last June.

"The killing of innocent people has almost become a daily occurrence. The beautiful and richly endowed country of South Africa has been turned into a hell on earth," he continued.

Li said the actions of the South African government showed clearly that its pledges of "reform", "dialogue" and "power-sharing" with the black majority are "nothing but a political deception".

"The government was condemned for its continued and illegal occupation of Namibia and its policy of political subversion, economic disruption and military invasion against the neighboring countries. "The South African authorities' persistence in their policies of apartheid and aggression is inseparable from the indulgent, permissive and supportive attitude of certain international forces."

#### PRC URGED TO DEFEND THIRD WORLD INTERESTS IN UN

OW181128 Beijing XINHUA in English 0715 GMT 8 Nov 86

[Text] United Nations, November 7 (XINHUA) -- Third World countries look up to China to defend their interests in the Security Council, the president of the current U.N. General Assembly said today.

Humayun Rashid Chowdhury said that China, the only permanent member of the Security Council which is also a Third World nation, had a significant role to play in the United Nations. He told XINHUA that he was looking forward to visiting China next spring as Bangladesh Foreign Minister.

He said that Bangladesh and China had identical points of view on all international issues. "The friendship between the two countries is traditional and rooted in our culture and history," he said. The Bangladesh people take pride in the achievements of the Chinese people, he said, adding that China is "a beacon of hope for Asia."

The 15-member United Nations Security Council, which promotes international peace and security, has five permanent members, China, France, the Soviet Union, Great Britain and the United States. The other 10 are elected by the General Assembly for two-year terms and represent Latin America, Africa, Asia and Western and Eastern Europe.

U.S. NAVY ACTIVITIES IN QINGDAO REPORTED

SK080208 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Nov 86

[Text] On the morning of 7 November, Liu Huaqing, commander of the Chinese PLA Navy, met and feted Admiral Lyons, commander-in-chief of the U.S. Pacific Fleet, and Mrs Lyons at Qingdao's Beihai Guesthouse. Ma Xinchun, commander of the North China Sea Fleet; Ma Shizhong, vice governor of Shandong Province, and responsible persons of the Qingdao City Government were present at the meeting and the banquet.

At the invitation of Admiral Lyons, Commander Liu Huaqing and others visited the U.S. warship in the afternoon. A welcoming ceremony was held on the deck of the destroyer "Oldendorf." Commander Liu Huaqing reviewed the honor guard of the U.S. Navy. Admiral Lyons also gave a reception on the vessel.

Over the past few days, some officers and men of the U.S. vessel have visited plants and toured the city. Others have left by plane to tour Beijing. On the evening of 6 November, a joint performance was staged at Qingdao's Renmin Theater by the naval art troupe of the Chinese PLA, and the military band of the U.S. ship.

ZHANG AIPING, ADMIRAL LYONS HOLD 'FRIENDLY' TALK

OW091118 Beijing XINHUA in English 1108 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- Chinese State Councillor and Minister of National Defense Zhang Aiping had a friendly conversation here this evening with Admiral J.A. Lyons, commander-in-chief of the U.S. Pacific Fleet.

Liu Huaqing, commander of the Chinese Navy, was present.

Admiral Lyons came to Beijing yesterday from Qingdao where three U.S. warships under him are paying a friendly, courtesy call.

PAPER CITES SIGNIFICANCE OF U.S. SHIP VISIT

HK100751 Hong Kong SOUTH CHINA MORNING POST in English 10 Nov 86 p 13

[Commentary by David Chen]

[Text] The visit to Qingdao port by three warships of the U.S. Seventh Fleet under Admiral James Lyons is of great significance.

Certainly the common sailor is more than happy to be back in a vast, still mysterious land. He has sampled the night life of Taiwan and Hong Kong, but returning to a place the matelot has not seen since American ships sailed away 37 years ago is something different.

More than 30 years ago, the United States forces and elements of the People's Liberation Army were locked in a bitter three-year war that raged across the length of the Korean Peninsula.

The two countries were not at war, officially. The Americans were part of a United Nations force that was mobilised following the near collapse of the Syngman Rhee regime in the summer of 1950.

The Chinese soldiers were sent across the Yalu River at Dandong as People's Volunteers, having recently defeated China's nationalist forces and established themselves as the national army of the newly created People's Republic.

The guns of the Chinese People's Volunteers and the U.S. Eighth Army fell silent following the truce in 1953.

The entry of the three American warships into Qingdao and the piping aboard of Admiral Ma Xinchun, commander of the North China Fleet of the PLA Navy, last week symbolised the actual cessation of hostilities between the two fighting forces 33 years ago.

With the visit, unpleasant memories have been swept aside. The two countries are truly friends once again.

This is a message the visit seems to project, a message that may well travel further afield.

The Korean War resolved some questions but left some major issues largely intact. That war, more than anything else, stabilised two opposing regimes on the Korean Peninsula. In 1972, tentative steps were taken for contacts between the two sides. These faltering steps were renewed early this year but the two halves remain bitterly antagonistic towards each other.

Could the meeting of the American and Chinese Navies mean anything to the Koreans?

On a tactical level, the visit of the American fleet could bring some darker clouds to the region, however strongly one tries to dismiss the notion.

The Soviet Union has shifted considerable attention towards the East. Their Pacific Fleet has expanded while the American Seventh Fleet remains relatively static. In addition to the increase of its garrisons on the northern islands, occupied since World War II but still claimed by Japan, it has deployed SS-20 missiles, largely directed at China, Japan and the western Pacific including Alaska.

In the past year, the Soviets, under Mr Mikhail Gorbachev, have sold more MIG-25s to North Korea, and increased military and economic aid to Kim Il-song in exchange for the use of North Korea's air and naval bases. Their reconnaissance flights cross North Korean territory to conduct surveillance in the Yellow Sea and Bohai Bay, where many of China's naval exercises have been conducted in the past.

Aware of such surveillance, China has recently shifted some of its exercises further south.

It is partly for that reason, too, that China conducted recent sea-to-air missile tests in the East China Sea, more than 1,610 km south of its traditional test area.

The presence of the American fleet in Qingdao, less than 500 km from Nampo, the Western naval port in North Korea that Soviet warships now frequently visit, will thus serve as a signal to the Soviets, in the global contest between the two superpowers.

While it may be overstating the case to claim the visit is a milestone in the relationship between China and the United States, future historians will not overlook the event as a major development in bilateral relations between the two countries, in terms of regional security and stability, and in the overall global strategic contest between the Soviet Union and the United States.

#### HSIN WAN PAO DISCUSSES U.S.-IRAN CONTACTS

HK090804 Hong Kong HSIN WAN PAO in Chinese 9 Nov 86 p 1

["News Talk" column: "Secret U.S.-Iranian Political Game of Arms Deals"]

[Text] The first major event after the U.S. mid-term elections was that Iran suddenly revealed on election day that former White House advisor MacFarlane and four aides had visited Teheran under false passports in a bid to meet Iranian authorities.

This news was announced by Rafsanjani, speaker of the Iranian Parliament. He said that MacFarlane, who only resigned from his post last December, went to Teheran last month carrying a personal message from President Reagan, seeking to improve U.S.-Iranian relations.

This news immediately caused an international stir. THE WASHINGTON POST and LOS ANGELES TIMES reported that the U.S. Government decided as long as 18 months ago to supply arms to Iran via Israel, in exchange for hostages.

In fact, during this period the United States has supplied Iran with missiles for U.S.-made F-4 fighters, spare parts for F-4's and C-130's (transports), radar equipment, and so on. All these were secretly transhipped by Israel.

This further revelation caused two great shocks in the United States. The first was that the United States has been holding secret contacts with Iran, and the other was the motive for MacFarlane's secret moves.

Since the changes in the Iranian political situation and the deterioration of Iranian relations with the United States, the United States has consistently proclaimed that it adheres to three principles regarding Iran. The first is that there are to be absolutely no deals with terrorists. The second is that neutrality is to be observed in the Iran-Iraq war. The third is that the decision embargoing arms supplies to Iran since 1979 is to be strictly upheld.

The new revelations prove that the U.S. Government long ago ceased to adhere to these three principles; in fact it hoped to exchange arms and parts for hostages.

According to reports, neither the State Department nor the Defense Department were aware of MacFarlane's trip, and he was sent directly by Reagan. For this reason, some people are thinking back to the eve of the 1980 presidential election, when President Carter applied military and diplomatic means on many occasions in an attempt to rescue American hostages in Iran. At that time, when Carter was running against Reagan, the situation was unfavorable for him; he greatly desired to make a secret deal with Iran on the eve of the election, so as to persuade the voters to support him. Unexpectedly he failed, and came to grief in the election.



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PRC INTERNATIONAL AFFAIRS  
UNITED STATES

This move by Reagan in putting his own reputation on the line in supporting Republican candidates in their bid for victory in the mid-term elections also looks like an attempt to turn the tide in the Republicans' favor. It is remarkably similar in method to what was tried 6 years ago.

One American hostage in Lebanon has now been released, but the fate of six others is unknown. Iranian Parliament Speaker Rafsanjani said when announcing that MacFarlane had come to Iran and been deported that Iran hoped the United States would guarantee not to launch a war against Iran, not to confiscate Iranian property, and to satisfy the demands of the "oppressed" Muslims in Lebanon (regarding the release of criminals imprisoned for action in various countries). It appears that the conditions have been escalated.

According to reports, an assistant of MacFarlane also went to Beirut, and may still be making representations there.

#### CHEN MUHUA MEETS STOCK EXCHANGE DELEGATION

OW091310 Beijing XINHUA in English 1301 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- Chinese State Councillor and Governor of the People's Bank of China Chen Muhua said here today that China's financial reform aims at invigorating the national economy by achieving a balanced social supply and demand.

Financial reform is an important component of China's economic reform, she said, adding that a vital topic in the financial reform is how to establish the monetary market.

She made these remarks this afternoon at a meeting with a New York Stock Exchange delegation led by John L. Phelan Jr., chairman and chief executive officer, who arrived yesterday for a four-day China-U.S. symposium on monetary market.

"We hope to benefit from the forthcoming symposium," Chen told the Americans.

Chen and Phelan agreed that the symposium is of great significance and will help enhance the mutual understanding and financial cooperation and economic and trade relations between the two countries.

Chen said Chinese leaders pay great attention to the symposium, adding that Chairman Deng Xiaoping and Vice-Premier Yao Yilin will meet the delegation.

Later, Chen Muhua gave a banquet in honor of the American guests.

REFORM SWEEPS ACROSS SOVIET UNION, EAST EUROPE

HK070225 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 43, 27 Oct 86 pp 30-31

[Article by Li Nan (2621 2809): "Waves of Reform Are Sweeping Across the Soviet Union and Eastern Europe"]

[Text] The world has entered the second half of the 1980's. To usher in the new century full of challenges and opportunities, many areas have witnessed a wave of economic readjustments and political reforms. Economic reforms have successively caught on in the Soviet Union and various Eastern European countries. The pace of progress and the depth of relevant contents there seem to be more noteworthy than in other countries.

Actually, there has not been a sudden outbreak of reform in this region. It can be traced far back. As early as the end of the 1940's and in the early 1950's, Yugoslavia led the way by dropping the old ways of management and introducing a new system based on "self-government by workers." In the 1960's and 1970's, other countries in this region successively announced a desire for reform, or took actual measures. This era was characterized by the on and off carrying out of reforms, with one problem after another and a tortuous road of rewards and frustrations.

The impact of the current new tide of reform is far greater than before. There is obviously a new feature that sets it apart from previous periods of reform. It is pushing straight ahead, with no interruptions in between. According to many leaders of these countries, its advance has shown an "irreversible" trend.

Various countries in Eastern Europe have successively stepped up the pace of reform. Beginning in the early 1980's, Hungary has taken many new measures to encourage competition between enterprises, promote democratic management, practice distribution according to work, and so forth. It has eliminated trusts and established "enterprise committees" among enterprises. Most industrial products have switched over to "competitive prices." Many wage regulating patterns have been followed. In 1984, the plenum of the Central Committee of the Hungarian Socialist Workers Party adopted a resolution to further reform the economic system and stressed the use of the market as a regulating factor and the use of the economic lever in economic management.

In 1982, Poland abolished the management system marked by "mandates and unified distribution" and introduced the "three self" principle, which called for self-decisionmaking in management, workers' self-government, and self-responsibility for profits and losses. It successively promulgated such documents as "The Guideline for Economic Reform," "Laws Governing State Enterprises," and so forth. It was pointed out that the crisis facing Poland originated from the previous system of "centralization and opposition to democracy."

At the end of 1981, Bulgaria promulgated "regulations governing economic reform," stipulating that the power of business administration belongs to workers as collectives and that they have the decisionmaking power, the state only giving macroeconomic guidance and supervision.

In early 1980, Czechoslovakia announced "whole sets of measures to perfect the planned national economic management system." Also, early in that year, it established flexible guidelines in such areas as the broadening of enterprise decisionmaking power, the retention of a percentage of profit, the distribution of funds, and so forth.



Yugoslavia, Romania and the German Democratic Republic have more or less adopted new reform measures. Yugoslavia has strengthened macroeconomic control over the state. Romania has introduced the "overall responsibility system." The German Democratic Republic has established integrated enterprises with comprehensive decisionmaking power.

In this region, the Soviet attitude toward economic reform has carried great weight all along. In the past, the Soviet Union doubted and often condemned reform in East Europe. Now, it has at last joined the ranks of reform. The 27th Congress of the CPSU, after Gorbachev's assumption of power, was the starting point of reform.

Why is it that reform in the Soviet Union and various Eastern European countries is always like "grass which can never be destroyed by a prairie fire, growing again when spring breeze blows?" The underlying cause is that the original management system, despite its once important role in history, has increasingly revealed its weaknesses and must be rectified. Soviet leader Gorbachev said: "The unchanged national economic management structure over several decades has caused a reduced pace of development, with the latest scientific and technical results still not fully and effectively brought into play." The Central Committee of the Polish United Workers Party analyzed the main cause of the socio-economic crisis in the early 1980's as "contradictions between the development of productivity and the fixed and rigid national economic management systems and all social life."

As a Chinese saying goes: "Human ingenuity always competes with nature for the new." Even what was formerly new cannot help becoming hackneyed after a period of time. This applies especially to regulations and systems in the human world, which if not changed from time to time, will the new replacing the old instead of remaining fixed for several decades, will naturally stagnate and consequently remain in a rut.

Times have changed, with international competition ever keen. A state's economic development that depends on only a greater input of labor and resources in production on an extensive basis is no longer sufficient. Only by catching up with the latest scientific and technological levels can a state hold its own among advanced and developed countries of the world in the coming new century.

The internal and external challenges that confront them seem to be clear to the Soviet Union and various Eastern European countries. Soviet leaders once said: "In the past few years, we have obviously fallen behind in economic development in regard to not only pace but also labor productivity, efficiency indexes, and the mastery of advanced scientific and technical results." They considered the Soviet Union to have achieved great results, but they also admitted that Soviet economic development had begun to lose the "drive to achieve a base for tremendous results," a "situation calling for reform."

The Soviet Union and various Eastern European countries practiced a management system involving overconcentration of power and reliance on administrative means. Such a way of doing things did achieve some results in the past. But its defects ranged from excessive strictness and rigidity to the neglect of the quality of commodities and the role of the market, the overconcentration of power, the dampening of mass enthusiasm, and the engendering of bureaucratism. Due to the absence of change over a long period of time, the state's political, economic, and social life became marked by stagnation, commodity shortage, a hard life for the people, and the prevalence of unhealthy practices.

For example, some countries let the state contract for all the commodities produced and provided national subsidies. As time went on, more and more subsidies were offered, so that there was no need at all for an enterprise to particularly exert itself. Some countries suffered from budget deficits, relying on foreign loans to make good the balance and piled up debts exceeding several tens of billions of U.S. dollars, so that they could hardly pay the annual interest on them. As time went on, they of course could not hold their own. Ferrence Havasi, Politburo member of the Central Committee of the Hungarian Socialist Workers Party, said: "Socialism should not be a society that has to suffer poverty and commodity shortage." "Long unsatisfied social needs give rise to lots of negative effects in economic, political, and ideological fields." Former Politburo member and well-known economist (Nie-er-shi Lei-re) [3206 1422 0087 7191 3583] pointed out more frankly: Such an economic pattern can hardly help the development of the national economy.

Judging from official statements and speeches by leaders of these countries, the reform they have in mind is not to change the socialist system but to change rigid ways of management, fixed formulas, and the phenomenon marked by laziness, stagnation, and lethargy. The contents of the reform program generally boil down to the following:

1. We must, to different degrees, recognize the need of the coexistence of different components of an economy or the coexistence of individual ownership and public ownership. We must stress that there should be no hurry to make different systems of ownership go in the direction of ownership by all the people. On the contrary, we should guarantee an opportunity for the equal development of different components of an economy. We should consider the coexistence of different economic patterns as a long-term historical phenomenon and also a law of development.

2. We must recognize the significance of the commodity economy and its importance in construction; recognize the role of market mechanisms; and recognize the positive role of commodities and money in improving production results. We must call for overcoming biased views about the relations between commodities and money.

3. We must, to different degrees, adopt methods of liberalization. While maintaining macroeconomic control, we must enlarge enterprise decisionmaking power, cut down on mandatory plans, add to guiding plans, use economic means to guide the economy, increase the power of mass organizations and local organs, and introduce democratic management.

4. Reform should not be confined to a given department or area and should instead be carried out in every work post, in management organs, and in party and state organs, including high-level party leadership organs and government organs.

5. Reforms involving the economic system, the political system, and cultural and social life should be carried out in combination to complement each other. The leaders and scholars of some countries have raised the problem of political reform because they consider economic and political factors to be inseparable. Without an appropriate political reform, the economic reform can hardly be smoothly completed or consolidated. A reform should be a profound and overall one.

Various countries do not share a completely identical understanding of these points. Nor are they unified in approach. Poland has introduced a three-price system that involves state-set prices, negotiated shop and enterprise prices, and free-market floating prices. Poland also allows individuals to engage in foreign trade activities and has announced an enterprise bankruptcy law. [paragraph continues]

Hungary has introduced a management system in three forms: a) enterprises are still controlled by the departments in charge; b) enterprises are led by elected enterprise committees; c) enterprises are led by workers' congresses. Some countries have also established different versions of a free trade area or a special economic zone.

The leaders of some Eastern European countries have touched on the problem of adopting different patterns based on different national conditions. Polish leader Jaruzelski said: "Every state can select its own economic pattern." Leaders of other Eastern European countries have also said something similar: Reforms should be carried out in light of the economic conditions of each country. No country can be looked upon as the only model.

On his visit to Hungary in June of last year, Soviet leader Gorbachev showed respect and appreciation for Hungary's economic reforms. He said: Everyone is creatively exploring his own road. The era of one country's policy needing to be approved by another has become a thing of the past in Soviet-Hungarian relations.

Gorbachev also said: The Soviet Union is watching and treating respectfully measures being adopted by Hungary and other countries to take care of economic and social tasks and will strive to borrow everything useful from them.

This is undoubtedly good news to the reformists of East European countries and can have an inspiring and stimulating effect. As for the questions of how to carry out reforms, what is and what is not to be reformed, and how fast or slow to set the pace of reform, they must, of course, be based on the concrete conditions of the various countries and the will of the people. In drawing an analogy, an economist of Eastern Europe said: Reform and economic development cannot possibly be treated as troops, with everyone standing on the same line and starting at the same time. Instead, they should be treated as members of a tourist group, with everyone heading toward the same goal, some walking quicker and some slower.

Reform is not all plain sailing in the region of Eastern Europe. Every step of the way is quite a laborious effort. Reform involves power and the distribution of interests, and naturally meets with opposition and obstruction. Reform also meets with the resistance of old concepts and habits. For this very reason, some East European countries have called for firmly and unswervingly pressing on with reforms and fighting anything that stands in the way of reform.

"Green mountains cannot stand in the way of the flow which goes on irresistibly eastward," according to a Chinese saying. Many indications show that reform in the Soviet Union and the region of Eastern Europe is in its initial stage.

#### SOVIET DELEGATION VISITS SHANGHAI MARKET

OW040127 Shanghai City Service in Mandarin 1100 GMT 5 Nov 86

[Text] China's materials market is brisk and the supply of commodities is more abundant than [in] our country. These were the comments made by Yakovlev, head of the Soviet delegation of the State Committee for Material and Technical Supply, after visiting the Shanghai materials market. The Soviet Delegation arrived in China recently at the invitation of China's State Scientific and Technological Commission and the State Bureau of Materials and Equipment. They visited Shanghai Municipal Materials Trading Market, materials center, and a municipal fuel trading company. They also acquired firsthand knowledge of Shanghai's reform in the structure of the materials market in recent years.

JAPANESE PRIME MINISTER PAYS OFFICIAL VISIT

## Arrives in Beijing

OW080900 Beijing XINHUA in English 0841 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone arrived here by special plane this afternoon to attend a cornerstone-laying ceremony for the China-Japan Youth Exchange Center as guest of Chinese Communist Party General Secretary Hu Yaobang.

He is to drive from the airport to the Great Wall Hotel for the ceremony.

This is Nakasone's second trip to China since he became prime minister. Nakasone and his party were greeted at the airport by Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee and China's chief representative on the 21st Century Committee for China-Japan Friendship, Liu Shuqing, vice-minister of foreign affairs, and Liu Yandong, president of the All-China Youth Federation.

During his two-day stay in Beijing, Nakasone is to confer with Chinese leaders Hu Yaobang, Deng Xiaoping and Zhao Ziyang on the development of Sino-Japanese friendly relations and international issues of common interest.

## Lays Friendship Cornerstone

OW081150 Beijing XINHUA in English 1104 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang and Japanese Prime Minister Yasuhiro Nakasone today laid the cornerstone for the China-Japan Youth Exchange Center in Beijing.

The two were warmly cheered by more than 1,000 Chinese and Japanese youngsters when they arrived at the site in eastern Beijing. Hu and Nakasone added earth round the cornerstone amidst the crack of firecrackers and the sound of drums and bugles, while 1,500 colorful balloons and 3,000 pigeons were released.

Nakasone arrived in Beijing earlier this afternoon at the invitation of Hu Yaobang. Hu met the Japanese prime minister at the Great Wall Hotel near the cornerstone laying site for a ceremony. Six hundred Chinese and Japanese young people gathered at the hotel gates to welcome the Japanese prime minister.

The project of China-Japan Youth Exchange Center was suggested by Hu Yaobang and Nakasone two years ago, with the cost shared by the two countries.

Hu said at today's ceremony, "He is glad to see young people of the two countries have seen from their own experience in these years that China-Japan friendship has yielded remarkable results, and have become more conscious in safeguarding and developing this friendship." [sentence as received]

He urged the young people of the two countries to be imbued with both patriotism and internationalism.



Nakasone said that he is determined to devote his all to promote the friendly relations between Japan and China and to safeguard peace and prosperity of the international community.

The design of the youth exchange center, which is named "Friendship Bridge", symbolizes the healthy and peace-loving character of the Chinese and Japanese young people. It consists of a 1,700-seat theatre, an international conference hall, an olive-shaped indoor swimming pool, a bridge-shaped research building and a hotel.

The center will cover an area of 55,000 square meters, with a total floor space of over 65,000 square meters. It will serve Chinese and Japanese youngsters and young people from other countries as a place for cultural and sports activities, scientific research and training courses upon its completion in 1989.

#### Nakasone Addresses Ceremony

OW090530 Beijing XINHUA Domestic Service in Chinese 1223 GMT 8 Nov 86

[Text] Beijing, 8 Nov (XINHUA) -- Speech at Ceremony To Lay the Cornerstone of the Japan-China Youth Exchange Center

[By] Yasuhiro Nakasone

Your Excellency, General Secretary Hu Yaobang, Friends, Young People:

I am very glad to have been invited to the ceremony to lay the cornerstone of the Japan-China Youth Exchange Center and given the opportunity to speak at an occasion attended by Chinese leaders headed by His Excellency General Secretary Hu Yaobang, as well as by you Chinese young men and women.

Looking back on the past, I remember that at a talk with His Excellency General Secretary Hu Yaobang on Japan-China friendly cooperation during my visit to your country in the spring 2 years ago, by coincidence we unanimously recognized that the future of Japan and China and their relations falls upon the shoulders of the two countries' young people.

During the talk, I proposed that an exchange center be built where young people of our two countries can learn from each other, talk to each other, and get together, and His Excellency General Secretary Hu Yaobang expressed his positive support then and there. That was where the Japan-China Youth Exchange Center started. After being discussed by the 21st Century Committee for Japan-China Friendship, which was established during my visit to China at that time, specific proposals were drawn up in the fall of 1984 for materializing the idea, hence this cornerstone-laying ceremony here today. This has filled my mind with all sorts of feelings.

My friends,

Young people are the motive force of human progress.

Since ancient times young people have been reforming our societies by breaking outmoded conventions and bad customs. Looking back upon history, there were many cases of young people changing the destiny of their countries.

As for Japan's Meiji Reformation, it was an earthshaking, heroic epic in which countless young people, disregarding their own safety, waged brave struggles against the conventionalists and finally turned our country from a feudal state into a modern one. Needless to say, countless numbers of young people in your country have come forward and died one after another to free the country from the shackles of big powers, liberate their motherland, and accomplish the great revolution of reunifying China.

My friends, I am also a youth!

With a "youthful heart" I have decided to do my utmost to promote and achieve the significant cause of promoting Japan-China friendship and safeguarding peace and prosperity of the international community.

My friends,

Following the visit to China in 1984 by 3,000 Japanese youth and the visit to Japan last year by 500 Chinese youth at the invitation of each other's government, the exchange of youth between Japan and China has developed by leaps and bounds in both quantity and quality. I will continue to promote this concept in the future. In addition to the original exchange program, and through the drawing up of a "Friendship Program Between Japanese and Chinese Youth," I am also ready to invite 100 Chinese youth to visit Japan each year for the next 5 years. I am deeply convinced that, after witnessing with their own eyes the situation of each other's country and experiencing life in each other's country, young people will play a positive role as the force at the core to promote Japan-China friendship in the 21st century.

Your people! Young people are the hope of our future.

I thank you.

Hu Yaobang Speaks

OW090206 Beijing XINHUA Domestic Service in Chinese 1245 GMT 8 Nov 86

[Text] Beijing, 8 Nov (XINHUA) -- Speech at Ceremony To Lay the Cornerstone of the Sino-Japanese Youth Exchange Center.

[By] Hu Yaobang

My young friends:

Prime Minister Nakasone and I, two old men with a combined age of 139 years, attend this ceremony today to lay the cornerstone of the Sino-Japanese Youth Exchange Center. We should like to congratulate you for having thought of such a meaningful way to mark the development of friendship between Chinese and Japanese young people.

Prime Minister Nakasone is here as my guest. I invited him because this center is built at the proposal of His Excellency the prime minister, and because a large part of the money needed for its construction is a gift from the Japanese Government through the prime minister.



Today, despite his busy schedule, His Excellency the prime minister has come to extend his greetings to you. Let me once again thank Prime Minister Nakasone, the Japanese Government, and Japanese young people for a friendship so beautifully manifested.

This gathering permeated with friendship brings to mind a meeting I had with a noted female Japanese writer not long ago. The topic of our discussion at that meeting was how young people should foster patriotism.

I think that young people of all countries should love their countries, link all they have with the destiny of their countries, dedicate themselves wholeheartedly to building their countries into strong and prosperous ones, and disregard their own safety in defending their countries that nurture them when they are infringed upon.

But do these criteria embody all aspects of patriotism? I do not think so. I think they should be integrated with a farsighted internationalist spirit of getting along harmoniously and cooperating amicably with people of other countries.

If Chinese young people think merely of the well being of their own country and show little concern for China's current open policy and are indifferent to promoting unity, friendship, and cooperation for mutual benefits with young people of Japan and other countries, they are not sober-minded patriots.

Owing to narrow-minded patriotism, many people in history caused great harm to their countries. I hope Chinese and Japanese young people will draw a lesson from historical experiences and temper themselves into decent modern people imbued with patriotic zeal and internationalist spirit.

I am happy to see that Chinese and Japanese young people have learned from personal experiences over the past several years the enormous benefits brought about by Sino-Japanese amity, thus greatly heightening their consciousness of safeguarding and promoting Sino-Japanese friendship. Thus, I can say with ample confidence:

China and Japan will be able to explore an even friendlier future!

In their friendly cooperation China and Japan will be able to make even greater contributions to Asian and world peace!

In peace and friendship China and Japan will achieve still bigger success in bringing benefits to their people and their future generations!

I thank you.

#### Nakasone Meets Japanese Traders

OW081207 Tokyo KYODO in English 1201 GMT 8 Nov 86

[Text] Beijing, Nov. 8 KYODO -- A group of Japanese businessmen here asked Prime Minister Yasuhiro Nakasone to urge China to improve living conditions for them and their families, Japanese officials said.

Nakasone met Joji Kaneda, head of Mitsubishi Corp.'s Beijing office, and several other businessmen, before going into talks with Communists Party General Secretary Hu Yaobang.

Kaneda asked Nakasone to urge China to help construct a new building to house a Japanese school and prepare better housing units for Japanese businessmen and their families, the officials said.

Nakasone, who arrived earlier in the day on a two-day visit to China, told the businessmen he understood their requests very well, they said.

#### Hu Yaobang Meets Nakasone

OW081630 Beijing XINHUA in English 1612 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- Chinese Communist Party leader Hu Yaobang told visiting Japanese Prime Minister Yasuhiro Nakasone here tonight he believed there would be no problem for leaders of China and Japan to understand feelings of both peoples.

The prime minister and his government understand the feelings of the Chinese people, and Chinese leaders and government also understand the feelings of the Japanese people, said Hu.

He said there are only a few people who can't understand the feelings of the two peoples. "It will not harm the general situation of Sino-Japanese friendship," he added.

Hu and Nakasone's 80-minute meeting proceeded in a "cordial atmosphere of mutual trust," according to a Foreign Ministry spokesman.

On behalf of the Chinese people, Hu warmly welcomed the prime minister's visit to China, saying China is satisfied with the progress of relations between the two countries, and speaking highly of Nakasone's contribution to the expansion of Sino-Japanese friendship.

Nakasone said the atmosphere of this afternoon's cornerstone-laying ceremony for the China-Japan Youth Exchange Center was like today's fine weather, symbolizing the good relationship between the two countries.

The prime minister said since the two countries have worked out basic principles governing bilateral relations, the prospects of bilateral relations are broad so long as both sides sincerely abide by the principles.

What is most important is that leaders of the two countries have established a friendly and trusting relationship, Nakasone said. He expressed the belief that the sound relations will develop further.

Nakasone said his current visit aims at "shaking hands again with General Secretary Hu Yaobang and opening the way to Sino-Japanese friendship in the 21st century together with the Chinese leaders."

During the meeting Hu and Nakasone briefed each other on their respective domestic situations and exchanged views on international issues.

## Further Details of Talks

OW081323 Tokyo KYODO in English 1320 GMT 8 Nov 86

[By Antonio Kamiya]

[Text] Beijing, Nov. 8 KYODO -- Japan's Prime Minister Yasuhiro Nakasone and China's Communist Party General Secretary Hu Yaobang Saturday expressed satisfaction over the current state of bilateral relations, Japanese officials said. The two leaders, who met following a groundbreaking ceremony marking the start of construction of a Japan-China youth center here, "reconfirmed" the friendship between the leadership of the two countries, the officials said.

Nakasone, invited by Hu, arrived earlier in the day for a two-day trip. He will meet separately with senior Chinese leader Deng Xiaoping and Premier Zhao Ziyang Sunday before returning to Japan.

Hu said that although a "small number of people" in Japan did not "correctly" understand national feelings between the two countries, this would not affect overall relations between them. Hu's statement was apparently aimed at Japan's former Education Minister Masayuki Fujio, who tried in a magazine interview in September to gloss over Japan's military actions in China before and during World War II. Nakasone fired Fujio for making the remarks.

In a speech marking the groundbreaking ceremony, Hu warned against what he called "narrow-minded nationalism" among young people in both countries. Patriotism, Hu told the gathering of 1,000 Chinese officials and youth representatives, means more than loving one's own country -- it means understanding the feelings of other countries. Japanese officials said Hu made no specific reference to the Fujio incident during his 80-minute meeting with Nakasone. The meeting "proceeded in a cordial, friendly atmosphere," according to a Japanese official who was present.

Touching on international relations, Hu told Nakasone there has been no progress in improving Sino-Soviet relations. China does not believe the Soviets made any concessions over troop withdrawals from Afghanistan or in withdrawing their support of Vietnam's occupation of Kampuchea, Hu was quoted as telling Nakasone. The Afghanistan and Kampuchea issues are two of the three major obstacles Beijing has said impede improvement in its relations with Moscow.

In response, Nakasone told Hu that Japan has similar obstacles in its relations with the Soviet Union, pointing to the Soviet occupation of four islands off Hokkaido to which Japan claims sovereignty. Nakasone said Tokyo will not make any "unprincipled" separation of politics and economics in its dealings with Moscow, Japanese officials said.

Hu said Sino-U.S. ties are stable and that China is satisfied with them.

The two leaders also dwelt on the situation in the Korean peninsula, with Nakasone urging the Chinese to support the South Koreans' proposal for four-way talks among the two Koreas, the United States and China to ease tension in the region, Japanese officials said. Hu listened to Nakasone's remarks and made no comment, Japanese officials said.

The two leaders agreed, however, that the two Koreas should continue their dialogue.

They also agreed that the next generation of leaders in Japan and China should pursue the established policies between the two countries, Japanese officials said.

Nakasone ended the official functions on the first day of his visit by attending a banquet hosted by Hu. In toasts made at the banquet, the two leaders exchanged pledges to guide bilateral relations under the principles of mutual respect for each other's feelings. Japan will observe the "four principles" of peace, equality and mutual tolerance and stable ties, Nakasone said, vowing that these rules will be upheld "come rain or storm."

The four principles, first enunciated by Zhao and later elaborated by Nakasone, now serve as a guideline for relations between the two Asian powers, which went through years of war and antagonism before diplomatic relations between them were restored in 1972. Relations between the two countries became strained last year after Nakasone paid an official visit to the Yasukuni Shrine, a shinto sanctuary in Tokyo dedicated to Japan's war dead, including Class-A war criminals.

This summer, China also registered its disapproval over a draft history textbook -- written by right-wing academics -- which critics said sought to gloss over Japan's military actions in China, particularly the 1937-1938 massacre in Nanjing.

In offering his toast at the banquet, Hu gave high points to Nakasone for defusing the disputes and said he was confident that friendly relations will "last through the next century and beyond." Like Nakasone, Hu underscored the supreme importance of the four principles, which he said are "embedded in the heart" of the people of the two countries.

It is Nakasone's second trip to China since he took office in 1982. He last came to Beijing in March 1984.

#### Hu Yaobang Hosts Banquet

OW081933 Beijing XINHUA Domestic Service in Chinese 1408 GMT 8 Nov 86

[Text] Beijing, 8 Nov (XINHUA) -- Speaking at a banquet this evening in honor of Japanese Prime Minister Yasuhiro Nakasone, who had come to attend the cornerstone-laying ceremony for a Sino-Japanese Youth Exchange Center, General Secretary of the CPC Central Committee Hu Yaobang said: Today the good-neighborly and friendly relations between China and Japan have brought the two countries important benefits and are playing a positive role in maintaining peace in Asia and the world.

He said that he had exchanged opinions sincerely with Prime Minister Nakasone this afternoon on issues of common concern in a very harmonious atmosphere. "We both treasure highly the sincere friendship already established between the two sides and wish to make joint efforts to see that this friendship continues to be consolidated and developed along with the friendly relations between our two countries," he added.

Hu Yaobang said: The four principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability" jointly established by the leaders of the two countries have taken deeper root in the hearts of the people.



The unremitting efforts made by the governments and the people of all circles of the two countries are yielding still greater results. The members on both sides of the 21st Century Committee for China-Japan Friendship have also done a great deal of useful work for the friendship between the two countries in the next century and even beyond.

He stressed: "Unswervingly advancing the cause of Sino-Japanese friendship to the new century regardless of the differences in social systems and ideology is a noble mission that history has bestowed on our generation."

Hu Yaobang said: Prime Minister Nakasone has upheld a firm belief in Sino-Japanese friendship and devoted enormous enthusiasm and efforts to it over the years. Particularly on some major issues involving the two countries' relations, Nakasone has made wise decisions promptly in the interest of the overall friendship between the two countries and out of his high sense of responsibility and statesmanship. The Chinese side appreciates this very much.

Hu Yaobang reiterated: "All those in the government and among the people of all circles in Japan who have contributed to the cause of Sino-Japanese friendship are friends worth remembering by the Chinese people. Their sincere friendly sentiments in devoting themselves to Sino-Japanese friendship, together with the Chinese people's friendly feeling toward the Japanese people, will remain forever in the memory of our posterity."

Hu Yaobang pointed out: The historical changes in the contacts between China and Japan have given us much education and enlightenment. The friendly cooperation since the normalization of our diplomatic relations has accumulated an extremely valuable experience for us; that is, under any circumstances, we should treat each other with sincerity, trust each other, abide by the Sino-Japanese joint statement and the Sino-Japanese Treaty of Peace and Friendship, take meticulous care of our hard-won friendly relations, and handle in a timely and proper manner any problem that appears.

Nakasone said: The great reform that China is carrying out for the purpose of modernization and its all-out efforts for the building of a spiritual civilization are developments and leaps being made in the material and spiritual aspects. They will surely guarantee China's brilliant and splendid future.

Nakasone stressed: During the past 2 years or so, the international situation has been turbulent, and a variety of changes have appeared in the Asian-Pacific region. However, Japan and China have continued to maintain their close ties by carrying out the four principles of "peace and friendship, equality and mutual benefit, mutual trust, and long-term stability."

Nakasone said that since last year several problems had cropped up between the two countries, and that these problems had provided him with quite a few difficult tests. However, he said, the greater the problems, the greater the need for mutual respect of one another's sovereignty and independence as well as the friendly feelings between the two peoples. This is the way to increase friendship, and to strive to solve the problems from a farsighted point of view. He added: "It is a statesman's mission to disregard the burden of bearing blame to sacrifice himself, and dare to deal with difficulties. I am doing my utmost to carry out in a down-to-earth way the basic principles guiding the relations between our two countries."

Nakasone said: To put the relations between Japan and China on a still firmer basis, what is essential is not rhetoric, but instead are the actions taken by the two peoples on the basis of their sincere friendship and trust, and especially the actions of the leaders of the two countries based on friendship and trust.

Nakasone concluded: "At this memorable moment of laying the cornerstone of the Japan-China Youth Exchange Center so as to pass on the two countries' future ideals to the young people of the basic principles of the relations between our two countries, treasure our a brilliant and splendid future for the relations between Japan and China!"

Japanese Ambassador to China Yosuke Nakae and Prime Minister Nakasone's entourage were invited to a banquet held in the Great Hall of the People.

Also attending the banquet were Hu Qili, member of the CPC Central Committee Political Bureau; Wang Zhaoguo, member of the Secretariat of the CPC Central Committee and chief member on the Chinese side of the 21st Century Committee for China-Japan Friendship; Rong Yiren, vice chairman of the NPC Standing Committee; Gu Mu, state councillor; and Zhao Puchu, vice chairman of the CPPCC National Committee. Prime Minister Nakasone Arrived in Beijing this afternoon at General Secretary Hu Yaobang's invitation to attend the cornerstone-laying ceremony for the Sino-Japanese Youth Exchange Center.

#### Nakasone Lays Wreath

OW090216 Tokyo KYODO in English 0203 GMT 9 Nov 86

[Text] Beijing, Nov. 9 KYODO -- Japan's Prime Minister Yasuhiro Nakasone Sunday laid a wreath at the People's Hero Memorial on the second and last day of his China trip.

Welcomed by a military band, Nakasone placed the wreath before the memorial in the Tiananmen Square in the company of Wang Zhaoguo, a member of the Communist Party Secretariat. Nakasone went to a meeting with premier Zhao Ziyang at the Great Hall of the People after the wreath-laying ceremony. Nakasone will also meet with senior leader Deng Xiaoping and then speak to the press before returning to Tokyo.

#### Zhao Ziyang Meets Nakasone

OW090409 Beijing XINHUA Domestic Service in Chinese 0237 GMT 9 Nov 86

[Text] Beijing, 9 Nov (XINHUA) -- At a meeting held at the Great Hall of the People this morning, Premier Zhao Ziyang and Japanese Prime Minister Yasuhiro Nakasone exchanged views on economic relations between the countries.

Zhao Ziyang said that although Prime Minister Nakasone's visit to China was very short, it was a highly efficient visit. He continued that the visit, during which he and Prime Minister Nakasone exchanged views on issues of common concern, will contribute significantly to promoting understanding and friendship between the two countries and the two peoples.

Prime Minister Nakasone said that he was very glad to be able to attend the ceremony of laying the cornerstone of the Sino-Japanese Youth Exchange Center. He thanked the Chinese Government's warm hospitality.

Present at the meeting were Wu Xueqian, state councillor and minister of foreign affairs; and Wang Zhaoguo, member of the Secretariat of the CPC Central Committee and chief member of the Chinese 21st Century Committee for China-Japan Friendship.



## Deng Xiaoping, Nakasone Meet

OW091448 Beijing Domestic Service in Mandarin 1200 GMT 9 Nov 86

[Text] Deng Xiaoping, chairman of the CPC Central Advisory Commission, this morning met with Prime Minister Nakasone and his party at the Great Hall of the People. Deng Xiaoping said during the meeting: We lay great stress on conducting education in ideals for the young people. He pointed out: Without ideals and discipline, it would be impossible to build the four modernizations.

Amid sincere and friendly talks between the two sides, Nakasone gladly said: Yesterday, I took part in the cornerstone laying ceremony for the China Japan Youth Exchange Center and wrote inscriptions together with General Secretary Hu Yaobang. The inscriptions dealt with the four principles in the relations between Japan and China. We should develop friendly relations between Japan and China for a prolonged period.

Deng Xiaoping said: This is a thing of vital and lasting importance.

At the request of Nakasone, Deng Xiaoping outlined China's concept for carrying out reform of the political structure. He said: We have increasingly become aware of the necessity and urgency of carrying out reform of the political structure. We have the following ideas: There are three objectives in carrying out the reform of China's political structure. First, we must always maintain the vitality of the party and state. Vitality is related to having younger cadres in leading organs at various levels, that is, regarding the cadre issue they should become more revolutionary, younger in average age, better educated, and more professionally competent. This cannot be realized in a period of 3 to 5 years. However, it is very important to have a goal. We should also formulate a system and encourage the promotion of young people. This is also related to our educational system. Strictly speaking, we have just started in this respect. There are many things to be deliberated upon and many measures to be taken. Second, we should overcome bureaucracy and raise work efficiency. This is related to the present situation of overstaffed organizations and not doing things in a speedy manner. It is also related to the mixing of party and government affairs. We must adhere to the party's leadership because this is the special Chinese characteristic and we must not give it up. However, the party must be good in assuming leadership. Third, we should arouse the enthusiasm of the grassroots units and the people. By carrying out the reform over the last 7 years, we have aroused the enthusiasm of, first of all, the peasants. In making rural reforms, we delegated powers to the grass-roots level. Likewise, in reforming enterprises from now on, we should expand the decisionmaking powers of the grass-roots units; arouse enthusiasm of the staff, workers, and intellectuals; and exercise democratic management.

Asked whether Marxism-Leninism is still China's guiding thought, Deng Xiaoping said: Marxism should be developed. We have never regarded Marxism as dogma, and we formulate our policies by integrating the basic tenets of Marxism with the realities in China. This is precisely how we won victories. China still adheres to Marxism-Leninism-Mao Zedong Thought, from the standpoint both of a heritage and something to develop. By building socialism with Chinese characteristics, we are upholding Marxism-Leninism in a true sense.

Answering a question about major points of his experience in the revolutionary work, Deng Xiaoping said: It primarily involves unity among the people, plus a strong conviction. The conviction we refer to here is the common conviction, the belief of millions of people, without which there is no unity.

Turning to the necessity of having ideals, morality, general knowledge, and discipline, Deng Xiaoping said: We educate our young people, first of all, in having ideals and discipline. Without ideals and discipline, it would be impossible for us to accomplish the modernization plan. With strong convictions, we can overcome any difficulty. This is the importance of the factor of people, people with strong convictions.

Present at the meeting were State Councillor and Foreign Minister Wu Xueqian and Chinese chief representative to the 21st Century Committee for China-Japan Friendship Wang Zhaoguo.

#### Deng on Philippines, USSR

OW090432 Tokyo KYODO in English 0423 GMT 9 Nov 86

[By Antonio Kamiya]

[Text] Beijing, Nov. 9 KYODO -- China's senior leader Deng Xiaoping declared Sunday that Beijing will not support the communist insurgents in the Philippines, saying that the Chinese will not do anything that will embarrass the government of President Corazon Aquino.

Deng, in a meeting with visiting Japanese Prime Minister Yasuhiro Nakasone, also renewed an offer to meet with Soviet leader Mikhail Gorbachev if there is progress in the Kampuchea issue.

The two leaders discussed a wide range of international and bilateral relations, with both of them vowing to strengthen friendly relations between their countries through to the 21st century. "This is a grand plan that should last 100 years, perhaps even lasting 1,000 years," Deng quipped in exchanging pleasantries with Nakasone during their hour-long meeting at the Great Hall of the People.

Before that, Nakasone had a separate session with Premier Zhao Ziyang who urged Japan to expand investments in China and narrow the trade imbalance between the two countries.

On China's relations with the Soviet Union, Deng told Nakasone that Beijing is ready to improve them if the Kremlin sends signals that it will withdraw its support of Vietnam's occupation of Kampuchea. Deng also told Nakasone that he had offered to meet with Gorbachev during a recent interview with a U.S. television network, and that the invitation still stands, Japanese officials said. Deng, however, said Gorbachev's proposals last July to improve ties with China "had little substance."

Addressing relations between the United States and the Soviet Union, Deng suggested that the two superpowers should keep their dialogue open, a process he said should lessen tension in the world.

Deng also briefed Nakasone about China's current efforts to reform its inefficient, bureaucratic political structure. Deng said the process is very time-consuming, and will probably take 10 years before a more streamlined party and government structure will emerge. "I'm now 83, and I'll then be 93," Deng was quoted as saying, "however, it is important to set the goal now."

Deng asked Nakasone to convey his regards to Philippine President Aquino, when she travels to Japan for a four-day state visit starting Monday, Japanese officials said.

Japanese officials who were present at the meeting said Deng looked very healthy and spoke with great vigor.

The initial remarks exchanged between Nakasone and Deng were mostly about visions of future ties between the two neighboring countries once strained by controversies over Japan's prewar and wartime action in China. Nakasone told Deng he foresees no problems in bilateral relations for the rest of this century while leaders of the countries should lay the groundwork for continued friendship in the next century. "This is our mission," Nakasone said.

Deng nodded his agreement, saying that there is no cause for a breakdown in the friendly relations between the two countries.

Nakasone's meeting with Zhao was primarily devoted to bilateral economic ties, with the Chinese premier making a strong plea for Japan to invest more in China and take measures to import more products from China.

Zhao said China views its trade deficit with Japan -- which totalled 2.3 billion dollars in the first seven months of this year -- "with deepest concern." China will try to improve the quality of its products and simplify and smooth trade procedures, he said.

Zhao was unhappy about the low level of Japanese investment in China, arguing that the Japanese should invest more because the Chinese Government had made improvements in the investment climate by taking the opinions of potential Japanese investors into account.

Nakasone promised efforts for greater balance in bilateral trade and more Japanese investment, Japanese officials said. The two agreed that specific economic and trade topics will be discussed in next year's bilateral cabinet conference.

#### Nakasone Holds Press Conference

OW090705 Tokyo NHK Television Network in Japanese 0401 GMT 9 Nov 86

[Prime Minister Yasuhiro Nakasone's press conference at the Great Hall of the People, Beijing -- live; conducted in Japanese with passage-by-passage translations into Chinese or vice versa -- following is from Japanese]

[Text] [Nakasone] This time I have visited China to attend the ceremonies marking the laying of the foundation stones for the Sino-Japanese Exchange Center at the invitation of General Secretary Hu Yaobang. I would like to express my heartfelt gratitude to the Chinese Government and people for their warm welcome.

On this occasion, I had candid exchanges of views with His Excellencies Deng Xiaoping, Hu Yaobang, and Zhao Ziyang, reaffirming that the two nations will mutually respect the other's peace, independence, sovereignty, and national feelings, and that under existing principles they will further promote their unswerving cooperation. This is a great joy to me.

In every country, the youth are the driving force for peace and prosperity. I sincerely wish that the Sino-Japanese Exchange Center, for which the foundation stone has been laid, will serve a central facility for exchanges between Japanese and Chinese youth in the 21st and 22d centuries and for a long time thereafter. I deeply rejoice on this occasion.

[Unidentified official] Those who would like to ask questions, please raise your hands.

[RENMIN RIBAO reporter] I am a reporter for RENMIN RIBAO. I and a large number of RENMIN RIBAO readers would like to express our welcome on your second visit here, Mr Prime Minister. My question is about the grand plans you have for the future development of peace and friendly relations between Japan and China. Would you comment on them?

[Nakasone] Yesterday and today, I heard the views of his Excellency General Secretary Hu Yaobang and His Excellency Chairman Deng Xiaoping, primarily on political and international issues. I also heard His Excellency Premier Zhao Ziyang's view of economic problems.

Today is particular, I was greatly impressed with the passionate talk by His Excellency Deng Xiaoping about the basic faith and policies of Chinese communism and the CPC.

Firmly abiding by the joint statement issued at the time of the restoration of Sino-Japanese diplomatic relations, the fundamental principles of the Treaty of Friendship and Peace, and the Four Principles, we will strengthen and accelerate cooperation between the two countries. We are in complete agreement on this point.

We also reached an accord on the perception that Sino-Japanese cooperation under these fundamental principles is a very important condition for peace and stability in Asia and for the peace and prosperity of the world. With that in mind, I believe that continued cooperation between us for a long period of time is also necessary for the world and for Asia.

During the process there may naturally be reforms and changes occurring between the two countries; no one can guarantee that there will be no problems at all between them.

We share the perception, however, that it is vitally important for the two nations to maintain friendship and cooperation under the agreed-upon principles and from a broad point of view based on world and Asian interests. I think that we will work carefully to resolve whatever problems there may be one by one and we will keep advancing under those principles.

As for economic problems, I think that it is particularly important to emphasize the spirit of mutual cooperation, equality, and reciprocity.

[Unidentified official] Next question please.

[Matsuoka, NISHINIPPON SHIMBUN] I am Matsuoka of NISHINIPPON SHIMBUN, with the Prime Minister on this trip from Tokyo. It is said that the series of talks you held with the Chinese leaders included discussions on Japan-USSR relations and the U.S.-USSR summit talk. Would you comment, Mr Prime Minister, on the prospects for Japan-USSR relations and on the developments in the U.S.-USSR summit talks?

[Nakasone] Yes, we discussed the U.S.-USSR summit talks. During this discussion, we agreed that it is necessary to reject confrontation and to promote dialogue and advance cooperation to ease world tensions. I think that, to a certain extent, progress was made at Reykjavik. Based on this achievement, I strongly expect that the two nations will continue further talks with enthusiasm for more fruitful accomplishments. On this point, too, we agreed.



I had made a request to President Reagan, asking his special consideration that, during summit talks with the Soviet leader, he see to it that Asia not be made a victim in the handling of issues involving the Soviet INF and SS-20's. President Reagan, accepting this request, made a great endeavor at Reykjavik. I also conveyed my views about this to the Chinese side.

I am of the opinion that, in the handling of the INF issue, Asia should be given the same treatment as Europe. As for Japan-USSR relations, it is the basic policy of our country to resolve the issue of the four northern islands, the territorial issue, and then to conclude a peace treaty. We will hold steadfastly to that policy, deepen dialogue, step up exchanges, and promote friendship.

[Unidentified official] Next question please.

[QINGNIAN BAO reporter] I am a reporter of QINGNIAN BAO. I would like to ask what ideas, what practical plans, Japan has for developing friendly relations between the youths of the two countries in the future?

[Nakasone] Some time ago, the Chinese side invited 3,000 Japanese youths to China and the Japanese side, 500 Chinese youths to Japan. I believe that these exchanges made great contributions to the promotion of friendship and mutual understanding between Japanese and Chinese youths.

During this visit, as part of a program to promote friendship between the youth of the two countries, I conveyed to the Chinese side Japan's plan to invite 100 Chinese youths to Japan each year, and the Chinese side was happy with the plan. This plan will be implemented for 5 years. In addition, various autonomous bodies and organizations in Japan also plan to invite Chinese youths to visit. These mutual youth exchanges are very significant and I intend to encourage them.

When this youth exchange center is completed in Beijing, the Japanese and Chinese youths will be able to live together at the center and to learn the Japanese and Chinese languages. They will also be able to play ping-pong and operate personal computers together. Thus, they will deepen their knowledge and mutual friendship. This is a very happy dream. It is the dream and desire of our Japanese people today. I believe that this is also the dream and desire of our Chinese friends.

[Unidentified official] Next question please.

[Imada, MAINICHI SHIMBUN] I am Imada, MAINICHI SHIMBUN reporter stationed in Beijing. I would like to ask a question regarding the Korean peninsula. Throughout the series of talks, what impressions have you obtained regarding future prospects for contacts or exchanges between China and the Republic of Korea [ROK]? What cooperation do you think is possible between Japan and China, as neighboring Asian countries, to make the Seoul Olympics in 1988 a success?

[Nakasone] When I began my talks with a Chinese leader, I remarked: I attended the opening ceremony of the recent Asian Games in Seoul. I saw Korean spectators welcoming the Chinese athletic team with cheers and applause when it entered the stadium waving the five-star red flag. He was very glad to hear these remarks and said that he was grateful to the South Korean side for its hospitality.

Concerning the question of the unification of Korea, I believe that Korea should be unified peacefully. The issue should first be discussed by the North and South Korean leaders. In this context, it is desirable for dialogue to be promoted between the two sides at various levels, including their leaders, in a realistic manner. I believe that Japan and China should work together to create a favorable environment to that end. In addition, I conveyed the strong desire of the ROK for China to participate in the 1988 Seoul Olympic Games by all means. I also conveyed the strong desire of the ROK for exchanges in the trade and sports areas and for private-level changes. As for Japan, it is prepared and will strive in the future, also, to convey the ROK's desire to the Chinese side and will act as a intermediary between China and the ROK if necessary.

[Unidentified official] We have a time limit here. The last question please.

[(Earnshaw), REUTERS] [Question in English] I work for REUTERS NEWS AGENCY. My name is (Earnshaw).

[Unidentified official in English] Excuse me. Would you please ask the question in Chinese?

[(Earnshaw) in English] I am going to... Do not worry.

[(Earnshaw)] I am director of the REUTERS branch office. My name is (Earnshaw). I would like to ask a question regarding the trade imbalance between Japan and China. I understand that last year -- I am sure it was last year -- a Chinese leader told a Japanese visitor that an imbalance in trade had continued for 3 years between Japan and China and this posed a problem. I think that the trade imbalance this year is also fairly large. What discussions have you had on this issue during this visit? What have you proposed in this regard, and how has the Chinese side reacted to it?

[Nakasone] It is Japan's national policy to cooperate in China's modernization. We will continue efforts to this end in the future as well. I think that in the process of promoting modernization, a trade imbalance is unavoidable at some point. However, I think that if a trade imbalance exceeds some tolerable levels, we should take corrective measures as soon as possible.

In this connection, it is necessary for China to make its own independent effort to promote exports on the one hand and for Japan to open its market on the other hand. I would like to strive in the future to restore a balance through consistent bilateral efforts.

Among the problems is the question of direct investment in China or joint ventures. In this connection, I highly appreciate China's recent establishment of regulations for promoting joint ventures.

We intend to encourage Japanese enterprises to promote investment in China. We hope that the Chinese side, too, will strive to solve some remaining problems. At any rate, it is Japan's national policy to cooperate in China's modernization program and, therefore, Japan will make every effort to restore balance in the future. Thank you very much. [applause]

[Unidentified official] The prime minister has another official commitment, so we will now end this press conference. [applause]



## Nakasone Prepares Departure

OW090846 Beijing XINHUA in English 0836 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone left here for home this afternoon after attending a cornerstone-laying ceremony for the Sino-Japanese Youth Exchange Center and meeting with Chinese leaders.

Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, saw Nakasone off at the Diaoyutai State Guesthouse. They had a cordial conversation.

Nakasone said that his current trip to China, though very short, had yielded fruitful results, which would further enhance the two countries' relations.

Hu said Nakasone's trip had increased mutual trust between China and Japan.

Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee and China's chief representative on the 21st Century Committee for China-Japan Friendship, was among those present on the occasion.

## Hu Yaobang Visits

OW090925 Tokyo KYODO in English 0924 GMT 9 Nov 86

[By Antonio Kamiya]

[Excerpts] Beijing, Nov 9 KYODO -- China's Communist Party chief Hu Yaobang bid farewell to Japanese Prime Minister Yasuhiro Nakasone at the end of his two-day trip Sunday with bear hugs and a mutual promise to meet each other every two years. Hu took his 13-year-old granddaughter, Zhizhi, to the Diaoyutai Guesthouse where Nakasone stayed during his overnight visit, and Zhizhi displayed her musical talent by playing a Mozart sonata to the prime minister. [passage omitted]

Nakasone, Japanese officials said, then made an impromptu suggestion that they should meet each other every two years. Hu agreed, saying he would like to go to Tokyo next time through Okinawa. [passage omitted]

## Nakasone Departs

OW090817 Tokyo KYODO in English 0816 GMT 9 Nov 86

[Text] Beijing, Nov. 9 KYODO -- Japanese Prime Minister Yasuhiro Nakasone left Beijing for home Sunday afternoon winding up a two-day visit to China. During the stay in China, Nakasone met separately with senior leader Deng Xiaoping, Communist Party General Secretary Hu Yaobang and Premier Zhao Ziyang and confirmed Sino-Japanese friendship.

XINHUA INTERVIEWS PAKISTAN'S FOREIGN MINISTER

OW060922 Beijing XINHUA in English 0837 GMT 6 Nov 86

["Pakistan Hopes for Early Settlement of Afghan Problem (by Wang Xianpeng)" -- XINHUA headline]

[Text] United Nations, November 5 (XINHUA) -- The international community should keep up the pressure on the Soviet Union for an early political settlement in Afghanistan, Pakistani Foreign Minister Sahabzada Yaqub Khan said in an interview with XINHUA today.

The minister was in New York for the United Nations General Assembly debate on Afghanistan, which ended this morning with a resolution calling for Soviet troops to withdraw.

Commenting on the overwhelming support for the resolution, Yaqub Khan said "it is a strong reflection of the feeling and conscience of the majority of sovereign states" toward the Soviet invasion of Afghanistan.

"I think it would help greatly to apply the moral pressure of public opinion on the Soviet Union" in seeking a negotiated solution to the problem, he said.

He told this correspondent that "the proximity talks" between Pakistan and Afghanistan will resume in Geneva in the next few weeks. The talks, through the intermediary of Diego Cordovez, personal representative of U.N. Secretary-General Javier Perez de Cuellar, began in 1982.

"We will be tackling the crucial issue of the time-frame (for Soviet withdrawal), which will reflect the seriousness with which the other side is approaching the problem," he said.

"It's difficult to read the minds of the Soviets, of course," he said. "But we work on the assumption that when they make repeated public declarations to the effect that they want to withdraw, we would like to put these public statements to a test, to see whether they are sincere or not."

He revealed that a great deal of progress has been made in the proximity talks on the technical aspects of drafting texts of possible agreements on four major issues: The withdrawal of Soviet troops, non-interference in Afghan affairs, international guarantees, and return of refugees to their homes.

However, the most crucial point is not technical problems, but rather political decisions over the withdrawal time-table and problem of monitoring the withdrawal process, he said.

"As far as the drafting is concerned, the instruments are virtually ready," he emphasized. "We hope the political will on the other side will confirm their public pronouncements."

He pointed out the benefits such a political settlement would have for the Soviet Union. A political solution, he said, would help ease world tension, facilitate arms talks between the two superpowers and would have a positive effect on other regional issues such as those in Kampuchea and Central America.

The foreign minister expressed deep appreciation for China's principled stand in insisting on the withdrawal of Soviet troops from Afghanistan as one of the three conditions for normalizing relations with the Soviet Union.

"If a principled settlement is arrived at, a settlement satisfactory to us and the international community, it would ease Soviet relations with the West as well as with China. We do hope the Soviets will realize the double effect of a political solution in Afghanistan," he stressed.

On the problem of refugees, he told XINHUA that their number is rising beyond three million, because of the flow of several thousand refugees every month into Pakistan.

Yaqub Khan said the burden on Pakistan in taking care of these people is increasing and has caused some tension in some areas, but the minister added that these problems are manageable, and "we shall not slacken our effort in taking care of their humanitarian needs."

"This is an obligation that we have freely accepted, a burden we shall cheerfully carry, and a duty toward them which we shall honourably discharge," he said.

In the exclusive interview, the Pakistani foreign minister thanked China, the United States and other countries for providing generous humanitarian support to Pakistan in dealing with the refugee problem. "We appreciate deeply the consistent support we receive from China at all levels and at all times," he added.

#### YANG JINGREN ATTENDS PAKISTANI GROUP'S BANQUET

OW091200 Beijing XINHUA in English 1147 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- A Pakistani Senate delegation led by Chairman Ghulam Ishaq Khan gave a return banquet here tonight.

Yang Jingren and Yang Chengwu, vice-chairmen of the Chinese People's Political Consultative Conference (CPPCC) National Committee, attended the banquet.

In their toasts, Ishaq Khan and Yang Jingren wished the friendship between China and Pakistan and cooperation between the Senate and CPPCC would develop further.

During their stay in China, the Pakistani guests toured Xian, Shanghai and Hangzhou, and they will leave for home tomorrow.

PRC, ITALY COOPERATE ON NEW ATTACK AIRCRAFT

HK100602 Beijing CHINA DAILY in English 10 Nov 86 p 1

[By staff reporter]

[Text] China is increasing co-operation with foreign countries regarding military technology in a bid to strengthen the country's national defence and boost its arms export ability.

According to an official from the China National Aero-Technology Import and Export Corporation (CATIC), China and Italy have agreed to jointly produce a new generation of attack aircraft.

The A5-M, he said, is a new version of China's Qiang-5 attacker with an updated avionic system. The Qiang-5 has been used extensively by the Chinese Air Force and some foreign countries.

The agreement for the multi-million-dollar project was signed last summer by CATIC, the commercial arm of the Chinese Ministry of Aviation Industry and Aeritalia, one of Italy's major aerospace companies.

According to the agreement, which was recently approved by the two governments, two A5-M prototypes will be built in China while the new avionic system will be developed and integrated in Italy.

Test flights will be conducted in China by a Sino-Italian technical team. The new aircraft will be manufactured by Chinese Nanchang Aircraft Manufacturing Company and production is scheduled to begin in early 1988.

The official confirmed that the United States is to provide advanced avionic systems for the modification of 55 F-8 II fighters, China's most advanced all-weather supersonic war planes, which made their first public appearance during their first public appearance during an Air Force training exercise in North China last month. The project is expected to cost a total of 500 million.

He disclosed that China is cooperating with the United States, Britain and France in improving avionic and communications systems and interior modifications of the country's Y-7 civil transport aircrafts.

JIANGSU GOVERNOR MEETS FRG ECONOMIC DELEGATION

OW070313 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 6 Nov 86

[Text] An economic Delegation led by (Jessenmohr), economics minister of the FRG state of North Rhine-Westphalia, paid a visit to Jiangsu Province from 2 to 6 November. On the afternoon of 3 November Governor Gu Xiulian met with Minister (Jessenmohr). They exchanged views on further developing economic and technological cooperation between Jiangsu and North Rhine-Westphalia.

The delegation left Nanjing yesterday for home.



SONG JIAN ATTENDS POLISH PROTOCOL SIGNING

OW062011 Beijing XINHUA in English 1535 GMT 6 Nov 86

[Text] Beijing, November 6 (XINHUA) -- A protocol on the 19th session of the Sino-Polish Commission of Scientific and Technical Cooperation was signed here today at the Great Hall of the People.

Under the protocol, China and Poland will conduct 99 short-term and long-term cooperation projects in the fields of machinery, electronics, metallurgy, agriculture, light textile industry and public health and medicine, showing a considerable increase over last year.

Xie Gaojue, chairman of the Chinese group at the session and vice-minister of electronics industry, and Andrzej Zol, head of the visiting Polish Government scientific and technical cooperation delegation and chairman of the Polish group, signed the protocol on behalf of their respective governments.

Song Jian, Chinese state councillor and minister in charge of State Science and Technology Commission, attended the signing ceremony.

The delegation arrived here for the session last week.

OFFICIAL CITES ECONOMIC COOPERATION WITH SFRY

OW090503 Beijing XINHUA in English 090220 GMT 9 Nov 86

[Text] Ljubljana, Yugoslavia, November 8 (XINHUA) -- A senior Chinese official today said his country wants to enhance its economic cooperation with Yugoslavia which he believed has a bright future.

Yuan Baohua, Vice-Minister of China's State Economic Commission, told a press conference here that China needs foreign assistance in the effort to modernize its existing industrial enterprises and that direct links between Chinese and Yugoslav enterprises are desirable.

Yuan is leading a Chinese delegation to a Sino-Chinese [as received] Trade Congress which began Friday in Ljubljana, capital of Yugoslavia's Slovenian Republic. 350 representatives from 130 companies and state-run enterprises of the two countries are attending the congress.

Yuan said that the face-to-face discussions by businessmen would help mutual understanding and economic cooperation.

Slovenia, a republic in northwestern Yugoslavia, is better developed economically than other parts of the country. Chinese Premier Zhao Ziyang toured the republic and met with local industrialists during his visit to Yugoslavia last July. Zhao told industrialists here that Slovenia can expect a bigger share in the country's economic cooperation with China.

Slovenia last month established friendly relations with Sichuan Province, one of the most developed areas in China, while Ljubljana and Chengdu, capital of Sichuan, have been twinned since 1981.

ANTI-CRIME DRIVE JAILS 624,000 SINCE 1983

HK090900 Hong Kong AFP in English 0856 GMT 9 Nov 86

[Text] Beijing, Nov 9 (AFP) -- China has executed or sentenced to long prison terms 624,000 offenders since an anti-crime campaign was launched three years ago, a top prison-camp official says.

Wang Mingdi, associate-director of China's Bureau of Reform Through Labour, told AGENCE FRANCE-PRESSE in an interview that those executed or sentenced to five years or more in prison accounted for 48 per cent of the 1.3 million or so people sentenced since November 1983.

Mr. Wang refused to disclose how many people were executed, a figure which was never been revealed by the Chinese press, although estimates by western diplomats based on partial figures put the number of executions at 10,000 to 30,000 in the past three years.

Those executed in China are usually shot in the back of the neck soon after the handing down of the sentence, frequently in big public trials, and are intended to serve an example to the population.

The trials are sometimes held in large stadiums with tens of thousands of spectators.

Mr. Wang said it was wrong to suggest, as has been done in the West, that millions of Chinese were being kept in "reform through labour" camps which have existed in China since the 1950's, adding that their population did not exceed one million.

Western diplomats were unable to confirm this figure, saying it was probably underestimated and, moreover did not include those detained in "reeducation through labour" camps for less serious crimes.

These camps hold those who have not been sentenced but are being held by police for up to three years. Their population is probably about the same as the "reform through labour" camps and includes those awaiting sentence, Western diplomats say.

China has always kept secret the total number of people detained in its prisons and penitentiaries which are often located in under-developed areas of the country.

Historians specialising in China have advanced the figure of 20 million prisoners for the period running from 1950 through the 1970's.

The prison population rose sharply during Mao Zedong's violent "purges" and other political campaigns launched after the communists assumed power in 1949. The number of people held in Chinese jails also jumped during the 1966 to 1976 Cultural Revolution and ensuing radical period.

Mr. Wang said there were no national statistics for the number of "counter-revolutionaries" but that in certain areas of the country the proportion was about one to two per cent of the population.

"Our system is different from that in your Western countries," he said.

"You've got crimes for 'high-treason.' Here, we've got 'counter-revolutionary' crimes.

"Our task is not to loosen our vigilance of those who undermine state security," Mr. Wang said, referring to those who sell state secrets.

An "anti-revolutionary crime" is still a very vague notion in China, although analysts note that today it does not carry the same significance as in the 1950's and 1960's.

But some people have been sentenced for simple relationships with foreigners, their political past, or political opinions which are not strictly orthodox.

Several young political dissidents, the most famous of which was Wei Jingsheng, were given heavy prison sentences for "counter-revolutionary crimes" during a movement known as the "Beijing Spring" from 1978 to 1981 which involved thousands of young people calling for greater democracy.

Mr. Wang said the anti-crime campaign had cut the crime rate from seven or eight people per 10,000 before 1983 to about five per 10,000.

Seventy percent of the crimes are for theft and "fraud," the remainder of them are murder, rape and "hooliganism," he said.

#### STATE COUNCIL APPOINTS, DISMISSES FUNCTIONARIES

OW072340 Beijing XINHUA Domestic Service in Chinese 0845 GMT 7 Nov 86

[Text] Beijing, 7 Nov (XINHUA) -- The State Council appointed and dismissed a number of state working personnel on 24 September and 25 October 1986.

The State Council appointed Li Lanqing and Zhang Haoruo vice ministers of the Ministry of Foreign Economic Relations and Trade, Hu Ximing [vice minister of public health] concurrently as director of the State Traditional Chinese Medicine Administration, Xu Zhaolong vice chairman of Board of Directors of China International Trust and Investment Corporation, and Jiang Ming [3068 2494] manager of the China National Tobacco Corporation and director of the State Tobacco Monopoly Administration.

The State Council dismissed Zhang Haoruo from his post as deputy general manager of the China National Petrochemical Corporation and Li Yisan from his posts as manager of the China National Tobacco Corporation and director of the State Tobacco Monopoly Administration.

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CHINA  
PRC NATIONAL AFFAIRS

CHANGSHA SYMPOSIUM VIEWS VALUE OF CPPCC PROPOSALS

OW081855 Beijing XINHUA in English 1513 GMT 8 Nov 86

[Text] Changsha, November 8 (XINHUA) -- Proposals to government bodies at all levels made by the Chinese People's Political Consultative Conference (CPPCC) are playing an important role in modernizing China's political life.

"CPPCC proposals are of great help for policy-making organizations to make scientific policies," said Fei Xiaotong, CPPCC vice-chairman, here Thursday at a symposium on proposals for local governments.

They have tried to involve every citizen in national affairs by uniting and contacting the masses, he said.

The CPPCC, a united front organization led by the Chinese Communist Party, has more than 300,000 members at various levels, representing people from all walks of life.

From March this year, when the fourth session of the sixth national committee of the CPPCC met, until September, over 1,500 motions put forth by members of the national committee were handled.

And committees in most of the provinces, municipalities and autonomous regions handled all of the proposals in good time.

The proposals are written opinions, suggestions and criticisms about the work of government offices or the CPPCC. They are put forward by CPPCC members individually or collectively.

According to Peng Youjin, chairman of the proposals handling committee, proposals raised by CPPCC members at various levels increased from 1,085 in 1983 to 1,760 this year. Most proposals involve major state events and principles and policies.

"Their suggestions receive much attention from top leaders," he said.

Peng said local governments have also paid increasing attention to the CPPCC proposals. CPPCC members are satisfied that most of their proposals have been properly handled, he added.

During the three-day meeting, local government leaders from ten provinces, municipalities and autonomous regions in north and central China, and officials from the State Economic Commission, exchanged experiences on handling proposals.

JIEFANGJUN BAO ON MODIFIED CIVIL DEFENSE WORKS

OW081421 Beijing Domestic Service in Mandarin 2230 GMT 7 Nov 86

[Text] China has modified and made use of one-fourth of its civil defense works, according to JIEFANGJUN BAO.



One billion yuan has been generated in annual output value and business volume and more than 60,000 jobs have been treated from those opened up for industrial and commercial uses.

HU YAOBANG VIEWS FOREIGN EXPERT'S ADVICE

HK071330 Hong Kong WEN WEI PO in Chinese 7 Nov 86 p 2

["Special Dispatch" from Beijing: "Hu Yaobang Makes Written Comments on a Frank Speech on the Reform of Chinese Enterprises Delivered by Werner Gerlich, a Former Factory Director"]

[Text] During a symposium on restructuring economic system held in October this year by the State Commission for Restructuring the Economic System, Gerlich, a West German specialist and director of the Wuhan Diesel Engine Plant, delivered an important and frank speech. CPC Central Committee General Secretary Hu Yaobang has made the following written comments on the minutes of the symposium: "My basic opinion is this: Generally speaking, Chinese people's views on economic policy decisions are more brilliant, practical and pertinent than the foreigners'. However, foreigners, analytical exposures of the malpractices of our economic management are deeper and sharper and more pertinent than what our own people have seen. It is true that some comrades have viewed these two aspects conversely? We should conscientiously think it over."

Gerlich's speech at the symposium can be divided into three parts.

1. On Reforms Carried out Within the Enterprises [subhead]

Gerlich pointed out: The most obvious shortcoming in the Chinese enterprises is that there are too many personnel and too many idlers. Once the workers and staff members are recruited, they will be given lifelong jobs. In Chinese enterprises, there is no concrete division of labor nor is there a clear and definite scope of responsibility. Moreover, the limits of directorial authority are not clear, there are too many deputy chiefs of offices and departments, and no one is willing to make a decision in the face of concrete problems. Gerlich proposed that Chinese enterprises should be given the right to dismiss workers from their posts, the enterprises should take back the houses given to such workers. He said that this way of doing things would spur the workers to compete with one another for jobs and would also improve the workers' attitude toward labor.

Gerlich said: In China, quality control departments are under the leadership of chief engineers. I think this is wrong. In the FRG, responsible persons of the departments of quality control are directly under the leadership of factory directors. According to a concept in China, the quality of export commodities should be higher than the quality of those commodities sold inside China. This concept is wrong. In my opinion, the first thing is to satisfy the needs of the domestic market. The quality of those commodities sold inside China should be higher than the quality of export commodities and should at least be the equal of the quality of export commodities.

Gerlich noted: Very few Chinese enterprises have established training centers. Chinese university students have theoretical knowledge but lack practical experience.  
[paragraph continues]

Once they graduate from universities, they are often assigned immediately to work at factories, and it is very difficult for them to carry out work on their own. These graduates are of no great benefit to the production of enterprises.

Gerlich added: There are only a few Chinese enterprises that truly implement the principle of distribution according to labor. The Personnel Department of the Wuhan Diesel Engine Plant once showed me the register of workers. I could make a correct guess at any worker's wages after knowing that worker's age and I could also make a correct guess at any worker's age after knowing that worker's wages. Remunerations in China are not based on one's labor but are based on one's age and social connections.

## 2. On Coordination of External Conditions [subhead]

Gerlich proposed that China quickly established the raw and processed materials markets, the labor force markets, and the centers for regulating equipment and facilities. Gerlich said: Concentrating all the raw and processed materials in one place not only can satisfy the production needs but can also get rid of idlers and the shortage of raw and processed materials. Although the building of a casting center requires a big investment, it is only a temporary phenomenon. From a long-term point of view, having 1 casting center is better than having 30 ramshackle casting shops.

Gerlich gave a quick description of the widespread vacation system for workers and staff members of the FRG enterprises. He proposed that the establishment of a vacation system should be regarded as a part of the reform. Gerlich said: Socialist countries such as Yugoslavia, the GDR, and Romania all have their own vacation systems. The establishment of a vacation system in China will possibly heighten the workers' enthusiasm for labor and production. Gerlich also briefed participants in the symposium on the FRG insurance system including retirement insurance, unemployment insurance, and medical insurance. He proposed that China should establish this kind of social security system as quickly as possible. He also proposed that cash payment for wages should be replaced by payment through the bank.

## 3. On the Number of Prevalent "Social Diseases" at Present [subhead]

Gerlich said: It is true that China has serious bureaucratic way of doing things and that it lacks a sense of time. For example, the goods from Austria for an Austrian textile specialist working in China took only 3 days to arrive in China. However, the same goods in China took the Austrian textile specialist 3 months to receive. It is also true that the Chinese are slow in handling affairs and that the same affairs can be handled more quickly by foreigners. China always sends delegations with large numbers of people to foreign countries. However, these delegations dare not clinch deals. When anything crops up, these delegations do not have the final say and must return to China to study relevant problems. What is the purpose of sending this kind of delegations? Is it true that sending this kind of delegations is evidently a waste of funds?

Gerlich said: In importing technology and equipment, China must give consideration to the country's concrete conditions and must not import then blindly. [paragraph continues]

Without making decisions on importing certain technology and equipment, China must not rashly ask foreign businessmen to give quoted prices.

During the symposium, Gerlich made a concrete analysis of the (Santana) [sang ta na 2718 1044 6719] cars produced by a Shanghai-FRG joint venture. He said: Only the tires, radio, and antenna of this kind of cars are made in China (even these three products are not up to German standards), and all the other parts of this kind of car are provided by the German side. This is very dangerous as it will be necessary to spend a lot of foreign exchange earnings on importing spare parts and components. Gerlich added: The car's molding is questionable. It is a family car in Germany. Therefore, the driver's section of the car is very spacious and comfortable. The two front seats of the car are for the owner and his wife. The car's back seats are not spacious and are for children or little animals. However, China regards this kind of car as a limousine for guests and also uses them as taxicabs. Of course, guests do not want to use this kind of car. I think that the relevant departments did not make a serious study of the car and were irresponsible for importing the car. It is a failure.

Gerlich regarded the service quality of all Chinese trades and professions as being only equivalent to the level of Africa. He noted: Many foreigners want to visit China. However, if things go on like this, many foreigners will not want to come here.

#### GONGREN RIBAO DISCUSSES BANKRUPTCY, CONSTITUTION

HK080534 Beijing GONGREN RIBAO in Chinese 1 Nov 86 p 3

[Article by Hu Ge (5170 2047): "Bankruptcy and Unemployment Are Not in Contradiction With the Principles of the Constitution"]

[Text] Article 42 of the PRC Constitution stipulates that citizens have the right, as well as the duty, to work. If an enterprise is announced to be broke, will workers of this enterprise lose their right to work? Will this go against the spirit of the Constitution? Obviously, no. First, the workers of the bankrupt enterprise only lose one employment opportunity within a certain time, but they do not lose the right to get another job and they can have other employment opportunities.

Second, workers of the bankrupt enterprise will lose their existing work opportunity, but this does not mean that their equal right to work and get employment is infringed upon. In such a case, the entire workers of this enterprise, as a collective, have lost the assets the state entrusts to their care, thus losing the means and objects of work. It is not other people but precisely these workers who deprive themselves of their existing work opportunity. Therefore, there is no reason to say that their right to work is infringed upon.

Third, the concept of "work" in the Constitution should be considered as work which directly or indirectly creates value. However, the nature of the work by the workers in an enterprise which is run in an ineffective way and is facing bankruptcy has changed, and their work as a whole does not create but merely expend value. Workers in such an enterprise are in fact getting along by depending on state subsidies. The continuation of such phenomena goes against the spirit of the Constitution. [paragraph continues]

The Constitution stipulates that citizens should have the right to create value through their work, rather than having the right to hold an "iron rice bowl", to get regular relief from the state.

Fourth, the workers of bankrupt enterprises lose their original work, they do not lose the right to get another job. They can seek new employment opportunities, and society will also actively create conditions for their reemployment. All this shows that bankruptcy and unemployment are not in contradiction with the right to work as stipulated in the Constitution.

#### BANKRUPTCY WARNINGS SAVE SIX ENTERPRISES

OW100736 Beijing XINHUA in English 0642 GMT 10 Nov 86

[Text] Beijing, November 10 (XINHUA) -- Six of the nine state- and collectively-owned enterprises in four provinces that received warnings against bankruptcy have become profitable.

Enterprises that lose money for a long time due to poor management will now get warnings against bankruptcy from the city governments. City governments designate time limits for those enterprises to turn profitable, and if the warned enterprises fail to respond within the designated time, they will be declared bankrupt.

The Wuhan No 3 Radio Factory in central China's Hubei Province, the only state-owned enterprise among the nine, was warned June last year when debts of 4.7 million yuan (1.2 million U.S. dollars) surpassed its fixed assets and circulating capital. The factory became profitable in March, and by the end of last month made profits of 200,000 yuan (54,000 U.S. dollars).

Last August the Shenyang City government, northeast China's Liaoning Province, issued warnings to the Shenyang Hardware Casting Mill and the Shenyang No 3 Farm Machinery Mill. By September, the two factories met profit targets for the whole year.

The Taiyuan Motorcycle Plant in north China's Shanxi Province, the Chongqing Washing Machine Factory and the Shiqiao Clothes Factory in southwest China's Sichuan Province received similar warnings this April, and all turned profitable by July.

The collectively-run, Explosion-Proof Equipment Plant in Shenyang was declared bankrupt August 3 this year for failing to respond to the city government's warning a year before and was auctioned off on September 25 to the city's engineering section of the Gas Supply Company.

Two small-scale enterprises in Sichuan Province's Chongqing, the Liuying Brickyard and the Dawan Tailoring Mill, failed to respond to warnings and are expected to be declared bankrupt.

#### NEW TECHNOLOGY SPREADS ECONOMIC BENEFITS

OW091031 Beijing XINHUA in English 0753 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- Nearly 70 percent of the 4,018 technical spreading items, the first group under the state "sparking plan", have begun producing economic benefits, according to the "PEASANTS' DAILY" today.



Promoted by the State Council in May last year, these items suit rural conditions.

When completed next year, they are estimated to produce an additional output value of more than 10 billion yuan (2.7 billion U.S. dollars) annually.

A textile mill in Mudanjiang City, Heilongjiang Province, completed a production line with an investment of 2.25 million yuan (690,000 U.S. dollars) to produce 250 tons of regenerated fibre a year from bits of flax. All the products are exported and the investment is expected to be recovered within a year.

Technology producing beverage from corn by single fermentation is expected to give a brewery in Yichuan County, Henan Province, a net profit of 210,000 yuan (57,000 U.S. dollars) by the end of this year. At present, the output of the brewery is 10,000 litres daily, and the technology has been introduced to 13 other factories.

More than 1,400 units and individuals throughout China have introduced a technology of artificial breeding and raising of tortoises, bullfrogs and turtles, developed by an aquatic product institute in Shouxian County, Hunan Province. With 50 employees, the institute expects an income of 700,000 yuan (20,000 U.S. dollars) this year.

#### INDUSTRIAL OUTPUT VALUE UP OVER LAST YEAR

OW081348 Beijing XINHUA in English 1137 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- China's industrial output value amounted to 730.5 billion yuan (nearly 200 billion U.S. dollars) in the first 10 months of this year, a rise of 7.4 percent over the same period of last year, the State Statistics Bureau said here today.

This meets the country's target of "ensuring seven percent growth and striving for an eight percent increase this year".

The output value of light industry rose by 7.9 percent, and that of heavy industry 6.8 percent.

October's industrial output value jumped 14.1 percent as compared with the same month in 1985. Big increases were registered in the output of energy, raw materials, light industrial and electronic goods and export-oriented products.

By the end of October, 19 of the country's 100 major industrial products had fulfilled or overfulfilled the annual production quotas. They include wrist-watches, tape recorders, silk, beer, synthetic detergents, plastics, industrial boilers, metal-cutting machine tools and tyres.

RENMIN RIBAO ON TRANSFER OF RURAL LABOR

HK070831 Beijing RENMIN RIBAO in Chinese 3 Nov 86 p 1

[Commentator's article: "A Strategic Task for Rural Development -- Commenting on the Transfer of the Rural Labor Force"]

[Text] An increasing labor force and insufficient employment opportunities are a prominent contradiction in our country's rural development. According to an estimate by the department concerned, there are now some 100 million surplus able-bodied workers out of the 300 million and more rural workers; and the surplus farm labor force will continue to grow due to the natural population increase and the enhancement of labor productivity. If such a large number of workers in the farming industry cannot get full employment, it is not merely a waste of manpower, but will also become an unfavorable factor in the stability and unity of the nation. Meanwhile, rural economic development and the improvement of peasants' livelihood may also be affected. Actively and properly solving the employment issue of the surplus labor force and improving the rural employment structure will be a major task of strategic significance in our country's rural development.

The full employment of the rural labor force is in fact a process of labor force transfer. That is, the surplus labor force will be gradually shifted from farming to non-farming industries. The development of various non-farming industries in the countryside and the urbanism of the countryside represent a common trend in social progress and economic development. Our countryside cannot overstep the stage of a commodity economy, so it is inevitable that there will be a process of shifting a large number of working people from the farming industry to non-farming industries. However, in our country, where there is a large rural population, it is obviously impossible to shift a large number of rural labor force into the cities, as the level of our productive forces is not high enough. The option that would be suited to conditions in our country is to encourage peasants to diversify the rural economy while consolidating the agricultural foundation. Peasants should be allowed to develop some industrial resources, develop the secondary and tertiary industries, and build small towns so as to basically solve the employment issue of the surplus labor force in their own towns and villages.

In recent years, the traditional employment structure in the countryside has been changed. However, the use of manpower and the distribution of natural resources are still far from reasonable. On the one hand, an excessive labor force is used to handle the limited quantity of farmland, and thus, creates a large number of idle workers; on the other hand, a great deal of non-farmland natural resources cannot be fully utilized, and also lie idle. There are broad prospects in increasing the labor force employed in developing non-farming resources in light of local conditions. In fact, many localities have begun to make use of the resources of mountains, hills, grassland, water, and beaches in a planned way. They have developed new production fields, adjusted the distribution of the labor force and resources, found new jobs for the surplus labor force in the farming industry, and made up for the insufficiency of the farmland.

Along with the change of the rural economy from a self-supporting pattern to a commodity pattern, the rural labor force has been shifting to the secondary and tertiary industries in large numbers. [paragraph continues]

The newly rising township enterprises have absorbed nearly one-fifth of the total rural labor force in recent years, and have become the main carrier to transfer the rural labor force. We can expect that the rural industrial enterprises run by peasant households, villages, and townships will not only produce a rich variety of products, but will also offer increasing numbers of jobs. The development of non-farming industries will certainly give rise to a tendency of concentration, and the building of many small towns in all parts of the country will be an effective way to promote the urbanism of our countryside. Of course, we do not mean that all of the surplus rural labor force must find jobs locally and must not find jobs in cities. With the in-depth development of the urban economic reform and the increase in the vitality of the urban economy, more and more peasants will go to medium-sized and large cities to engage in industrial or commercial work without permanently settling down in these cities. The channels for the reasonable movement of the labor force between cities and the countryside will be widened. The old pattern of separating the countryside from the cities will eventually be replaced with a new pattern. All this is beyond question.

#### WRITERS' ASSOCIATION EXPLORES CREATIVITY

OW081350 Beijing XINHUA in English 1120 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- Literature should stay close to people's ideology and sentiments and should deeply depict the mental attitude of the Chinese people of our time, a Chinese academic authority said here today.

Zhang Guangnian, vice-chairman of the Chinese Writers Association, said at a meeting held by the association here today that only those works which match people's will have great vitality.

However, he pointed out, the artistic life will certainly wither if writers take no notice of the people's will or fate to suit few people's vulgar interests and psychology, to hunt for novelty or "let a solitary flower in love with its own fragrance bloom."

At the six-day meeting, more than 300 delegates will share experiences and discuss problems in literature over the past ten years since the ending of the "Cultural Revolution" (1966-76).

Zhang Guangnian held that China has realized a great historic upturn in the course of socialist literature -- the apathetic atmosphere in which "ten thousand horses stood mute and one hundred flowers withered" under the leftist policy has turned into one in which "ten thousand horses gallop ahead and a hundred flowers blossom." Chinese writers have produced large numbers of fine works recently, he pointed out.

He said one of the important experiences of literary creation in the past ten years was that many writers have depicted life with immense enthusiasm and in a variety of artistic styles.

He also stressed the importance of carrying forward the good traditions in the literature not only of China but also of foreign countries.

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### Accepts New Members

OW081238 Beijing XINHUA in English 1046 GMT 8 Nov 86

[Text] Beijing, November 8 (XINHUA) -- The Chinese Writers' Association so far this year has accepted 234 new members, bringing the total to 3,016.

This was released by Tang Dacheng, an executive member of the association's secretariat, at a national workshop that opened here today.

He told XINHUA that of the total, 558 are writers around the age of 35, some 279 are woman writers and 287 are from minority nationalities.

As more and more new writers are emerging, the association has shortened its term for selecting members from six months to three months.

And a file of members has been established in a bid to "help cultivate more young writers".

### WANG MENG URGES FREE CONTENTION IN LITERATURE

HK090646 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1321 GMT 8 Nov 86

[Text] Beijing, 8 Nov (ZHONGGUO XINWEN SHE) -- At the 5th session of the 4th Presidium of the Chinese Writers' Association held today, Vice Chairman Wang Meng said that those comrades who fervently sought the rights of freedom and democracy should, after obtaining these rights, also grant the rights of freedom and democracy to those who hold different views. They should not merely try to seek freedom for themselves or their own factions.

Wang Meng insisted on allowing people to air their own views freely, in a courteous manner. It is impermissible to blame others, to smear others' views, and to willfully label a person or group as leftist, rightist, or deviating from the correct orientation.

While the hundred schools of thought are contending, Wang Meng said, it is unlikely that all of them possess truth. Probably the views of some 50 to 60 or even 70 to 80 of them are improvised or even rubbish, and the serious views of only 20 to 30 of them run counter to those fashionable views and nonsense. We should adapt ourselves to such circumstances and uphold truth.

Wang Meng did not mind people blaming his works as too classical and outdated which formed a sharp contrast with his stream of consciousness and tendency of modernist school a few years ago. He said that it is not necessary to get angry because these are tolerable views.



LU XUN LITERATURE AWARD TO BE ESTABLISHED

OW091047 Beijing XINHUA in English 0900 GMT 9 Nov 86

[Text] Beijing, November 9 (XINHUA) -- The Chinese Writers' Association has decided to establish a new literature award, "Lu Xun Literature Award".

Named after Lu Xun (1881 - 1936), China's greatest modern writer, the award will cover all categories of creative writing.

Ge Luo, member of the association's Secretariat, told XINHUA that eligible will be poetry, novels, short stories, reportage, prose and essay writing, children's literature, science fictions, biographies as well as literary criticisms and theses on the history of literature.

At present, the Chinese Writers' Association offers nine special awards for various forms of writing.

The announcement of the first group of "Lun Xun Award" winners will be made in the autumn of 1989. The selection is made every three years and the number of winners each time is limited to 15.

Each winner will get a prize of 10,000-yuan.

XI ZHONGXUN, CHEN PIXIAN AWARD COOK CONTESTANTS

OW052303 Beijing XINHUA Domestic Service in Chinese 1540 GMT 5 Nov 86

[Excerpts] Beijing, 5 Nov (XINHUA) -- (Reporter Chen Yun) The 17 representatives, who returned from the World Cooking Contest in which China participated for the first time, were commended by the Ministry of Commerce at the Great Hall of the People today. Xi Zhongxun and Chen Pixian, respectively members of the Political Bureau and Secretariat of the CPC Central Committee, presented prizes to the representatives. [passage omitted]

At the commendation meeting, Commerce Minister Liu Yi announced that the State Economic Commission has formally approved the establishment of the Chinese Cooking Association, which will mark the begining of a new stage in Chinese cooking.

DENG LIQUN AT PICTURE STORYBOOK AWARDS

OW052257 Beijing XINHUA Domestic Service in Chinese 1231 GMT 5 Nov 86

[Excerpts] Beijing, 5 Nov (XINHUA) -- The Third National Picture Storybook Awards ceremony was held at the Beijing Hotel this afternoon. Deng Liqun, member of the Secretariat of the CPC Central Committee, and Zhou Gucheng, vice chairman of the NPC Standing Committee, were there to extend their congratulations to the award winners. [passage omitted]

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At the awards ceremony, Hua Junwu and Wang Ziyue, responsible persons of fine arts publishing departments, presented awards to the winners. Deng Liqun presented honor awards to editors and picture storybook workers not well-known to the public. [passage omitted]

"The Third National Award-Winning Picture Storybook Exhibition" opened at the Chinese Art Gallery on 4 November.

ZHAO ZIYANG ON MILITARY DEVELOPMENT, ARMS TRADE

OW071559 Beijing XINHUA in English 1522 GMT 7 Nov 86

["Premier Zhao: China To Increase Arms Trade, 'but Will Never Get Involved in Arms Race" -- XINHUA headline]

[Text] Beijing, November 7 (XINHUA) -- Premier Zhao Ziyang stressed here today while developing weapons and technology through self-reliance, China will increase its arms trade with foreign countries.

Speaking with more than 60 representatives from 21 countries here for an ongoing defense technology exposition, Zhao said it was China's first public domestic weapons display.

"This is an outgrowth of China's opening to the outside world," he said.

The exhibition features arms from China and 12 other countries and regions.

According to Zhao, China's arms development is necessary for its self-defense. "As a large, independent country," he said, "China must have the weapons and forces to defend itself."

He stressed that China "will never get involved in the superpowers' arms race."

Economic development was the country's major priority, and as a result it has converted some of its arms factories to civilian purposes, the premier added.

"Our plan is to keep defense spending constant, in terms of its share of the national budget," he said, adding that the current demobilization of one million soldiers should be completed this year.

"To compensate for cuts in our armed forces," said Zhao, "we are improving the quality and technological sophistication of our weapons."

LI PENG OPENS LIAONING HIGHWAY SECTION

SK020305 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 1 Nov 86

[Text] Construction of the Shenyang-Anshan section of the Shenyang-Dalian Highway, which is being built by our province with intensive efforts in an all-round manner, has been completed. Today a ceremony was held at the starting point of the highway -- the east side of Shenyang's (Yuhong) overpass -- to mark the opening to traffic of the section.

Li Peng, vice premier of the State Council, cut the ribbon for the opening of the section. Vice Governor Peng Xiangsong presided over the ceremony. Wang Zhanyi, vice minister of communications, and Li Changchun, acting governor of Liaoning Province, spoke. Attending were Qi Yuanjing, minister of metallurgical industry; Ye Qing, vice minister in charge of the State Economic Commission; Quan Shuren, secretary of the Liaoning Provincial CPC Committee; Liu Jingsong, commander of the Shenyang Military Region; Dai Suli, chairman of the provincial Advisory Commission; Liu Zenghao, vice chairman of the provincial People's Congress Standing Committee; and Yue Weichun, vice chairman of the provincial CPPCC Committee.

The Shenyang-Dalian Highway is the largest capital construction project of our province for the Seventh 5-Year Plan and also one of the state key highway construction projects. Total investment in it will be more than 1.5 billion yuan. The original length of the highway is 420 km, but it will be reduced to 375 km after being renovated and expanded. The highway starts at Shenyang in the north, and ends in Dalian in the south, linking Liaoyang, Anshan, Haicheng, Yingkou, and Wafangdian Cities, as well as large enterprises, such as Yingkou's Bayuquan Harbor, the Anshan Iron and Steel Company, the Liaohe Oilfield, and the (Chongyang) colliery. It is an important trunk communication line for the economically developed areas of our province, and also an important passageway for the transportation of import and export goods for the three northeast provinces and the eastern part of Nei Monggol.

Large, advanced machinery imported from abroad has been used in the construction of the highway. Mechanized operation of the construction will reach 95 percent. After being examined upon its completion, the Shenyang-Anshan section proved to be China's first-grade highway of the highest quality thus far.

After the ceremony, Li Peng, vice premier of the State Council, and other leading comrades inspected the entire Shenyang-Anshan section by car.

The Ministry of Communications sent a letter to the headquarters in charge of the renovation and expansion of the Shenyang-Dalian Highway of Liaoning Province, and all the construction workers to extend congratulations on the completion and opening of the Shenyang-Anshan section of the Shenyang-Dalian Highway.

Visits Taoxian Airport

SK060500 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 5 Nov 86

[Text] On the morning of 5 November, when it was clear and bright, Li Peng, vice premier of the State Council, zestfully came to the construction site of Shenyang Taoxian Airport to throw shovels of dirt for the foundation stone of this key project.

The Shenyang Taoxian Airport is a project jointly invested in by the state and Liaoning Province. The airport is situated in the central area of six cities: Shenyang, Fushun, Tieling, Liaoyang, Benxi, and Anshan. Upon completion, the airport will be able to play an important role in developing the economy of these six cities and conducting external exchanges, and will be the largest aviation hub in Northeast China.

There are two construction phases. Upon completion, the airport can accommodate the landing of big aircraft of various kinds, and can carry 7 to 8 million passengers and accommodate more than 100,000 take-offs and landings of aircraft every year. After the second-phase construction is completed, the airport will not only open domestic air routes, but also gradually open air routes to Japan, the United States, and European countries. So far, the projects for water and power supply at the airport have started, and the project to pave the runways has been completed.

Also attending today's foundation stone laying ceremony were Qi Yuanjing, minister of metallurgical industry; and leading comrades of the province, cities, and the Air Force of the Shenyang Military Region.

#### Inspects Iron, Steel Firm

OW052321 Beijing Domestic Service in Mandarin 1200 GMT 4 Nov 86

[Text] While inspecting the Anshan Iron and Steel Company, Li Peng, vice premier of the State Council, encouraged the company to display the (Meng Tai) spirit of the 1980's and take the road of developing an iron and steel industry with Chinese characteristics.

From 1 to 2 November, Vice Premier Li Peng inspected metallurgical plants and mining areas of the Anshan Iron and Steel Company. He said: To import advanced technology and transform old enterprises, it is necessary to display the (Meng Tai) spirit of the 1980's. The (Meng Tai) spirit represents the spiritual outlook of the people of the Anshan Iron and Steel Company in the 1950's. Supplemented by the spirit of many subsequent advanced individuals, the (Meng Tai) spirit of today has acquired a new meaning for developing spiritual civilization in the 1980's.

Recently, the party committee of the Anshan Iron and Steel Company summarized the (Meng Tai) spirit as the spirit of winning honor for the state; striving to be the first; daring to blaze new trails and make reforms and innovations; keeping overall interests in mind; working in harmony and selflessly; and waging tenacious struggle.

Owing to the company's persistent efforts to educate workers in the (Meng Tai) spirit of the 1980's, during the second half of this year, the company fulfilled the task of transforming three major projects ahead of schedule. More than 2,500 activists in emulating the (Meng Tai) spirit have emerged throughout the company.

#### Speaks on Patented Technology

OW091313 Beijing XINHUA Domestic Service in Chinese 1439 GMT 7 Nov 86

[By reporters Tian Chuan, and Ding Jianming]

[Text] Beijing, 7 Nov (XINHUA) -- Addressing a conference on patent affairs today, Li Peng, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, urged enterprises to upgrade their technologies by applying patented technologies in production.



Li Peng said: Presently the leading authorities of many enterprises have not yet placed patent affairs on their agenda or understood that paying attention to patent work is an effective measure for assimilating new technology, developing new products, and maintaining their competitive capability. He said: Of the nation's nearly 1 million enterprises, approximately 40 percent are large and medium-size enterprises. They are producers, the source of creations, and the main force of digesting, assimilating, popularizing, and applying inventions and creations. Unless our enterprises are well informed on patents and how to use them, they will not be able to compete and win by means of advanced technology.

Li Peng pointed out: The patent system's ultimate purpose is to transform inventions into productive forces as quickly as possible. Only by applying patented technologies in production can their economic and social values be brought into play. Li Peng urged the State Planning Commission, the State Economic Commission, and the State Scientific and Technological Commission to make full use of patent information and give top consideration to using patented technologies in examining and approving imported equipment, and deciding on technical transformation and scientific research projects. While importing, adopting, and propagating patented technologies, he said, we must pay for their use to protect their patent rights.

Vice Premier Li Peng also visited an exhibition of patented technologies this afternoon. Examining a bamboo made floor board, he said that the economically valuable product has become a new way of utilizing south China's abundant bamboo resources, and mechanized production lines should be set up to produce the product in large quantities. He also praised the artificially-made marble, which is a piece of solid material coated with a special paint. Its patterns are as beautiful as those of natural marble. Vice Premier Li Peng praised the product, saying that it is a construction material with a very promising future.

#### FANG YI, OTHERS VISIT BEIJING ART EXHIBIT

OW021127 Beijing XINHUA Domestic Service in Chinese 1311 GMT 1 Nov 86

[Excerpts] Beijing, 1 Nov (XINHUA) -- Kang Zhuang, Zhang Baozhu, Li Chengzhi, and Yin Yanxin, middle-aged painters from Shandong's Jinan Art Academy, today displayed 110 or so of their works at the Workers' Palace of Culture in Beijing. [passage omitted]

Fang Yi; Chen Pixian; Chen Hao and Miao Fenglin, responsible persons of departments concerned; and some hundreds of people from the circles in the capital area visited the exhibition.

The exhibition is sponsored by the Jinan Art Academy and will close on 10 November.

#### YANG SHANGKUN, YANG DEZHI ATTEND ASIANDEx '86

OW072122 Beijing XINHUA in English 1445 GMT 7 Nov 86

[Text] Beijing, November 7 (XINHUA) -- Yang Shangkun, vice-chairman of the Military Commission of the Central Committee, Yang Dezhi, general chief of staff [as received] of the Chinese People's Liberation Army, and other high-ranking officers visited the Asian Defence Technology Exposition today.

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The exposition, attended by more than 160 manufacturing firms from 13 countries and regions, has attracted over 50,000 visitors since it opened November 4.

Yang Shangkun said the exposition was very good, and that it would be helpful for promoting the development of China's defense industry and technical exchanges between Chinese experts and foreign counterparts.

He expressed his thanks to Commedia Associates Ltd. of Hong Kong for organizing this exposition.

Also visiting the exposition were vice-chairmen of the Standing Committee of the National People's Congress, vice-premier, state councillors and members of the Standing Committee of the Central Advisory Commission.

[Beijing XINHUA Domestic Service in Chinese at 1230 GMT on 7 November also transmits a report on the event. In the final graf the XINHUA Chinese report identifies Yang Dezhi as present. XINHUA Chinese goes on to identify additional visitors as follows:

"Also visiting the exhibition were Qiao Shi, Yang Dezhi, Chen Muhua, Li Desheng, Han Guang, Ngapoi Ngawang Jigme, Zhou Gucheng, Yan Jici, Huang Hua, Kang Shien, Hong Xuezhi, Yang Jingren and Chen Zaidao."]

#### LEADERS MOURN DEATH OF KONG XIANGZHEN IN BEIJING

OW091357 Beijing XINHUA Domestic Service in Chinese 1306 GMT 8 Nov 86

[Excerpt] Beijing, 8 Nov (XINHUA) -- A memorial ceremony was held at the auditorium of the Babaoshan Cemetery of Fallen Revolutionaries this afternoon to pay last respects to Comrade Kong Xiangzhen, an outstanding member of the Communist Party of China, long-tested and faithful communist fighter, and proletarian revolutionary.

Comrade Kong Xiangzhen died of an illness of 26 October in Beijing at the age of 82. He was a member of the Standing Committee of the CPPCC Sixth National Committee and the Standing Committee of the Central Commission for Discipline Inspection.

Comrades Deng Xiaoping, Li Xiannian, Chen Yun, Peng Zhen, Deng Yingchao, Wan Li, Yao Yilin, Lu Dingyi, Duan Yunyi, Cheng Zihua, Huang Kecheng, Fu Zhong, Gu Mu, Kang Keqing, Zhao Puchu and Qu Wu; the Central Commission for Discipline Inspection; the General Office of the CPC Central Committee; the Organization Department of the United Front Work Department of the CPC Central Committee; the CPPCC National Committee; the Ministry of Communications; the Ministry of Light Industry; the Ministry of Textile Industry; the Shanxi Provincial CPC Committee; and the Jincheng City CPC Committee in Shanxi Province presented wreaths.

Comrades Xi Zhongxun, Yu Qiuli, Bo Yibo, Xong Renqiong, Liu Lantao, Wang Heshou, Han Guang, Zhang Jingfu, Song Ping, Yang Jingren, Chen Zaidao, Lu Zhengcao and Ma Wenrui took part in the memorial ceremony and also sent wreaths. [passage omitted]

When Comrade Kong Xiangzhen was critically ill, Comrades Xi Zhongxun, Bo Yibo, Liu Lantao, Wang Heshou, Han Guang and Gu Mu visited him in the hospital. [passage omitted]

Following the national liberation, Comrade Kong Xiangzhen was appointed a member of the Standing Committee of the CPC Central-South China Bureau, deputy director of the Organization Department and director of the Labor Department and the Urban Work Department of the CPC Central-South China Bureau. He was later assigned to leading posts in the National Construction Commission, the Ministry of Communications and the Ministry of Light Industry. He was an outstanding leader on the industrial and communications fronts of our country.

He suffered for 10 years during the Great Cultural Revolution, but he took a firm stand, was clear about what to love and what to hate, and demonstrated his dauntless spirit as a party member. After the convocation of the Third Plenary Session of the 11th CPC Central Committee, he firmly supported the line, principles, and policies formulated by the party Central Committee. When he was a member of the Standing Committee of the Central Commission for Discipline Inspection, he worked hard with indomitable spirit to improve party conduct, uphold party discipline, and redress unjust and erroneous cases. He took part in revolution for more than 60 years and was loyal to the party, the people, and the communist cause.

#### BRIEFS

ARMY HISTORY SERIES --Beijing, 2 Nov (XINHUA) -- A 43-volume series on the history of the Chinese People's Liberation Army (PLA) is being compiled by a special committee. Chinese President Li Xiannian, Marshals Xu Xiangqian and Nie Rongzhen, as well as other veteran soldiers are contributors. With about 100 million Chinese characters, the series will record the major events, battles, and meetings of the PLA and its military, political, and logistic developments. Many historical materials and photos will be made public for the first time. The first 7 volumes are expected to come off the press next August. [Text] [Beijing XINHUA in English 0131 GMT 2 Nov 85 OW]

ANHUI SECRETARY STRESSES TOP TASKS FOR 1987

OW061117 Hefei Anhui Provincial Service in Mandarin 1100 GMT 5 Nov 86

[Excerpts] Speaking at the fifth enlarged meeting of the fourth provincial party committee, Comrade Li Guixian stressed three tasks for next year: building spiritual civilization, carrying out reform and opening to the outside world, and developing the economy.

Comrade Li Guixian said: next year we must strive to do three things well. First, we must seriously study and implement the resolution and do a good job in building spiritual civilization; second, we must continue emancipating our minds and establish new concepts that are commensurate with carrying out reform and opening to the outside world; and third, we must unite, work hard, and develop the economy to greet the convocation of the 13th CPC National Congress.

Li Guixian said: The most important tasks facing us at present are seriously studying the resolution, working out specific plans by taking into consideration both the central authorities's guiding principles and our province's real conditions, and doing a down-to-earth job in making the task of building spiritual civilization a real success. [passage omitted]

Li Guixian said: In everything we do, we must always keep in mind the task of building spiritual civilization, proceed from reality, and have each locality and department work out its own plans and measures for building spiritual civilization. In building spiritual civilization, we must resolutely get rid of the influence of leftist ideas; overcome the thinking and working methods that stress destruction or advocates destruction preceding construction; combat the passive and defensive mentality; concentrate efforts of uniting the people with a common ideal; bring the people's enthusiasm for socialism and their creativeness into full play; satisfy the people's cultural and spiritual needs; strengthen education in ideology and morality; promote education and strengthen scientific and cultural undertakings; and strengthen education in democracy and the legal system. [passage omitted]

Li Guixian said: It is necessary to continue emancipating our thinking and promote new ideas that are commensurate with carrying out reform and opening to the outside world. At present, the most important tasks are to continue emancipating our thinking, strengthening our consciousness of reform, transforming old ideas, and promoting new ideas that are commensurate with carrying out reform and opening to the outside world. These are the tasks of top priority: First, we must replace the idea of emphasizing concentration of power with that of emphasizing delegation of power. Second, we must replace the idea of promoting product economy with that of promoting commodity economy. Third, we must replace the idea of advocating poverty with that of advocating wealth. Fourth, we must replace the idea of stressing control with that of valuing services. Fifth, we must replace the attitude of looking down on talented people with that of respecting them.

Li Guixian called on everyone to unite, work hard, and develop the economy to greet the convocation of the 13th CPC National Congress. He said: Since the 3d Plenary Session of the 11th CPC Central Committee, our province has made great progress in economic development. However, we must also realize that we still lag behind in achieving the grand goals set forth at the 12th CPC National Congress and still lag behind our neighboring provinces and municipalities in economic development. We must learn from the experiences of others and embrace a sense of urgency to serve as a motivating force for our work both at present and in the future. [passage omitted]



FUJIAN POLL SHOWS SUPPORT FOR REFORM

HK070852 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0944 GMT 5 Nov 86

[Text] Fuzhou, 5 Nov (ZHONGGUO XINWEN SHE) -- "The masses of people in Fujian vigorously support reform, but psychologically they are not well prepared for the risks that reform may bring about." This is the conclusion drawn from a public opinion poll conducted by the Fujian provincial government. In April the departments concerned of the Fujian provincial government distributed 8,540 questionnaires in residential areas and industrial, commercial, and township-run enterprises. These departments have so far received answers to 75.4 percent of the questionnaires, and 84 percent of the answers came from residential areas.

According to the public opinion poll, 85 percent of the people support reform, saying: "Reform provides a guarantee for the realization of the four modernizations. We support reform, even though our immediate interests are somewhat harmed." With regard to wage reform, 50 percent of the people hold: "There must be different grades of wages and the principle of more work, more pay should be followed." Regarding the pricing issue, 86 percent of the masses of the people say: "Thanks to the price reform, now business is brisk and market supplies are good;" while 50 percent of them say: "There are price hikes every year, but our living standards are really improving."

The public opinion poll also shows that a certain number of the people prefer "steady transition" in the execution of reform measures. Thirty-two percent of them demand: "There should be no price increases within at least 1 or 2 years." So far as the question of remuneration is concerned, 41 percent of the people maintain: "There should be differences in pay, but there should not be wide gaps in them."

The poll questionnaires also reflect that the masses in Fujian bitterly hate the practice of "eating from one big pot," but they are not well prepared mentally for the risks that reform may bring about. In answering the question: "If you are one of the reduced staff, what way out do you prefer?" More than 60 percent of the people hope that the government will take care of them and assign them other jobs.

The Fujian provincial government attaches great importance to the reactions of the masses. It believes that it should insist on reform but it should be prudent and active in considering the capacity of enterprises and the people to withstand reform strains and should take necessary measures to address this problem.

JIANGSU PEOPLE'S CONGRESS SESSION ENDS

OW051054 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 4 Nov 86

[Excerpts] The 22d Session of the Standing Committee of the 6th Jiangsu Provincial People's Congress lasted 4 days and ended in Nanjing on the afternoon of 4 November. On the morning of 2 November, the session heard a report by (Fu Menglin), chairman of the provincial Planning and Economic Commission, on the implementation of our province's 1986 economic and social development plan; a report by Wu Xijun, chairman of the provincial Science and Technology Commission, on the work done in the province to reform the science and technology management system; and an explanation by He Binghao, vice chairman of the provincial People's Congress Standing Committee, regarding the draft decision on the dates for election of deputies to county and township people's congresses. This was followed by group discussions on these issues.

In discussing the report on the implementation of this year's economic and social development plan, the members of the Standing Committee of the provincial People's Congress affirmed that the provincial people's government has achieved fairly remarkable results in striving to implement the related resolution of the Fourth Session of the Sixth Jiangsu Provincial People's Congress and making a serious effort to carry out the economic and social development plan adopted at that session. [passage omitted]

The members pointed out: It is fine that the report dwells on economic matters. However, it says very little about the work done and problems encountered in building spiritual civilization and developing social projects. In the future, comprehensive reports should be made on the basis of the economic and social development plan adopted by the provincial People's Congress. It is imperative to seriously carry out the guidelines set by the 6th Plenary Session of the 12th CPC Central Committee and to stress and beef up efforts to build socialist spiritual civilization so that there will be a balanced development of the economy and the work in all other areas.

They said: With regard to economic work, more attention should be paid to economic benefits and product quality. The guiding thought is that economic work should be put on the track of achieving greater economic benefits as its principal goal. While laying stress on economic benefits, attention should also be paid to the social and ecological effects of our economic work. [passage omitted]

With regard to the reform of the science and technology management system, the members pointed out that the purpose of this work is to bring into full play the initiative and creativity of the broad masses of scientific and technological personnel and to apply their research results to production more expeditiously. From now on, they said, this point should be made clear so as to ensure the sound progress of the reform of the science and technology management system in our province.

A plenary meeting held on 4 November adopted a resolution on furthering the reform of our science and technology management system, a decision on the dates for election of deputies to county and township people's congresses for the new term of office, and a decision on the establishment of the election work offices.

#### JIANGXI URGES MASSES TO EXPOSE WRONGDOING

OW052351 Beijing XINHUA Domestic Service in Chinese 0046 GMT 5 Nov 86

[By reporters Ma Zhongming and Luo Guojun]

[Text] Nanchang, 5 Nov (XINHUA) -- In investigating and dealing with major cases, Jiangxi Province pays attention to protecting the rights of the masses and bringing out their role of democratic supervision, prompting more letters of complaint to carry real names.

The Jiangxi provincial party committee, the provincial government, and the provincial Discipline Inspection Commission have persisted in promptly handling and carrying through with public letters of complaint. The provincial Discipline Inspection Commission has called for immediately checking into letters exposing discipline violations by leading cadres at and above the department and bureau levels and for reporting cases to the provincial party committee for filing purposes. The provincial party committee normally gives an official reply to filed reports in a week. In major cases, it gives an official reply immediately after receiving the report.

Jiangxi Province is mindful of protecting people who dare to report and expose wrongdoing by public officials. It does not send letters of complaint to the unit of the person whose misdeeds are being exposed. It also helps to dispel misgivings on information. A cadre was worried about incurring revenge after opposing and exposing former Governor Ni Xiance's mistakes. A leading comrade of the provincial party committee held a conversation with him, encouraging him to uphold the party's principles, thus putting his mind at ease. Provincial authorities will lose no time in conducting investigations and taking proper action once they discover acts of revenge against informants. A returned Overseas Chinese in Juijiang City was attacked in revenge for informing on an official of the city Overseas Chinese Affairs Office who abused his power to extort money and property from returned Overseas Chinese. When the matter was brought to light, the organization concerned expelled the cadre from the party and revoked his administrative post.

With the right of democratic supervision protected, the public is more determined to struggle against discipline violations. More and more people dare to sign their real names to letters of complaint. Zhu Liangfu, former deputy director of the provincial Agriculture, Animal Husbandry, and Fishery Department, engaged in foreign exchange fraud and took bribes in his dealings with Hong Kong businessmen because he could not resist the temptation of seeking personal gain. Nine persons with knowledge of this serious misdeed sent signed reports to the provincial Discipline Inspection Commission and appeared to give testimony. Serious violations of discipline by Sun Huimin, deputy secretary of the party committee of the provincial chemical company, in his dealings with foreigners were also brought to light by signed public letters. Those who have committed mistakes are alarmed by the people's courage to exercise their right of supervision. Some cadres have taken the initiative to admit their own mistakes to party organs.

#### SHANGHAI INDUSTRIAL OUTPUT VALUE INCREASES

HK090619 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1021 GMT 7 Nov 86

[Text] Shanghai, 7 Nov (ZHONGGUO TONGXUN SHE) -- According to the statistics issued by the Shanghai Statistical Bureau a few days ago, the city's total industrial output value in October this year reached 7.328 billion yuan, a 7.5 percent increase over the corresponding period of 1985. However, the output value of industry added from January to October this year totaled 74.243 billion yuan, an increase of only 3 percent over the same period of 1985.

Of the total sum, the output value of light industry increased by a big margin, reaching 4.124 billion yuan in October, an increase of 10.1 percent over the same period of 1985, the highest figure for the average monthly output value of this year.

Of the 106 major products, the output of 67 products added from January to October this year showed an increase over the previous year. Of this, the annual quotas for 12 products including bicycles, rolled steel, and cement were overfulfilled.

#### BRIEFS

JIANGSU CAPITAL MARKET -- The joint short-term capital market formed by branches of the China Bank of Industry and Commerce in Nanjing, Suzhou, Wuxi, and Changzhou cities began operations in Wuxi City yesterday. The first day's transaction reached 200 million yuan. [Summary] [Nanjing Jiangsu Provincial Service to Mandarin 2300 GMT 13 Oct 86 OW]



HAINAN ISLAND ATTRACTS FOREIGN INVESTMENT

OW061302 Beijing XINHUA in English 1036 GMT 6 Nov 86

[Text] Beijing, November 6 (XINHUA) -- South China's Hainan Island has signed 11 new contracts with overseas and foreign investors during the first nine months of this year, according to today's "INTERNATIONAL BUSINESS".

This brings the total number of projects involving foreign investment to 236, which are worth a total of 385.16 million U.S. dollars. Almost three quarters of that amount came in the form of direct foreign investments.

Up to now, 90 projects have been completed and put into operation, and another 82 are under construction.

Overseas and foreign investors have come from more than 20 countries and regions including the United States, Japan, Australia, Singapore, Thailand and Hong Kong.

More than half the projects involve the construction of production plants in electronics, machinery and textiles, the paper said.

HENAN RIBAO COMMENTARY ON WHOLE PEOPLE QUALITY

HK090730 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 6 Nov 86

[Text] On 7 November, HENAN RIBAO publishes on the top part of the front page a commentator's article entitled: Work Hard for Improving the Quality of All the People.

The article says: The resolution of the 6th Plenary Session of the 12th CPC Central Committee placed in a very significant position the basic task of focusing on the improvement of the Chinese nation's ideological and ethical quality, as well as scientific and educational standards, in the work of building socialist spiritual civilization.

This is a great strategic policy which will inevitably enormously push forward China's socialist modernization as a whole.

The article points out: In improving people's quality, many comrades always tend to focus on political consciousness and ethical standards. It is undeniable that both political consciousness and ethical standards are very significant aspects and aspects not to be ignored in people's quality. However, under no circumstances must we look down upon scientific knowledge and education just because of this. The accumulation of scientific knowledge and education will not only improve people's ability to think and work, but also lead them to political faith, ideals, and ethical values through a certain amount of ideological education and cultivation.

It is just as Lenin said: Only when we enrich our minds with the entire wealth of knowledge accumulated by mankind can we become communists. To undertake socialist modernization without socialist ideals, ethics, and discipline is not possible. It is also impossible to achieve this without the spirit of respecting science and pursuing knowledge, or the large-scale popularization and improvement of scientific knowledge and education.



The commentator's article concludes: While studying the resolution and improving their understanding, all leading departments must do their best, adopt some practical measures, and speak less but do more practical work so as to really make contributions to building spiritual civilization.

#### HUBEI SECRETARY STUDIES PROBLEMS REGARDING RESOLUTION

HK071424 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 6 Nov 86

[Excerpts] From 18 to 29 October, provincial party committee Secretary Guan Guangfu and responsible comrades of departments concerned of the provincial party committee went to places including Shashi, Jingzhou, and Tianmen to conduct an investigation and to study the problems in studying and implementing the resolution of the CPC Central Committee on the guiding principles for building a socialist society with an advanced culture and ideology. They listened to reports from prefectural, city, and county party committees. They went deep into factories, shops, organs, schools, hospitals, culture rooms, kindergartens, township enterprises, rural village organizations, and neighborhood residents' committees to understand the situation.

In the course of the investigation, Comrade Guan Guangfu exchanged experiences in studying the resolution with party committees at all levels, grass-roots, cadres, workers, peasants, and science and technology personnel. They summed up the experiences of the grass roots in building spiritual civilization and explored the current relevant problems needing solution in the course of studying and implementing the resolution. He also talked about many important views on the study and implementation of the resolution in Hubei. He repeatedly stressed that it is necessary to grasp study, planning, and doing practical work. He demanded that party committees at all levels strengthen leadership over the building of spiritual civilization, pay particular attention to understanding the new spirit, establish a new concept, work out a new method, and strive to go up a new flight of steps.

Comrade Guan Guangfu said: We must first grasp study well and in a down-to-earth manner. He pointed out that the resolution has many new contents, a new spirit, and a new development. In the course of study, we must seriously study, understand it with an open mind, really grasp the basic spirit and main contents, and understand its important significance. [passage omitted]

In the light of the problems of universally attaching insufficient importance to the building of spiritual civilization at the previous stage, he put forward: Through study, it is necessary to further understand and handle well in the course of practice the relationship between the building of two civilizations, and is essential to persistently and simultaneously grasp two civilizations and to simultaneously score achievements in the building of the two civilizations. [passage omitted]

In the course of investigation, Guan Guangfu attached importance to the formulation of a plan for implementing the resolution. He held forums on the special topic. He said: On the basis of studying well, all places must seriously formulate well a specific plan for implementation. In working out a plan, it is imperative to pay attention to several points:

1. We must apply a systematic viewpoint and method to work out a plan. [passage omitted]

2. A plan must have high goals and set high standards and strict demands. It must help to encourage and mobilize people. In the light of realities, it must be feasible.

3. Regarding the aim and standard of the building of spiritual civilization, the nature and quantity of the work must be determined. [passage omitted]

4. We must take the mass line and mobilize people of all quarters to take part in discussion. On the basis of drawing on collective wisdom and absorbing all powerful ideas, we must formulate a plan.

Comrade Guan Guangfu continually emphasized: To build spiritual civilization, we must have a realistic style and pay attention to doing practical work. He said: our field of vision must be widened and we must work in a down-to-earth manner. We must keep the general goal in sight and take the daily tasks in hand. We must solve well the problems concerned with the well-being of the masses and those which they universally follow with interest, such as the problems of housing, drinking water, medical treatment, communications, and environment. In doing practical work, we must make good arrangements for our work, work out a long-term plan, and make short-term arrangements. We must have a new target and new measure and go up a new flight of steps every year. We must have in our mind what we should complete this winter and next spring. The problems of gambling, feudal and superstitious practices, and extravagant wedding and funeral ceremonies in some places are relatively salient. We can consider seriously grasping them under the premise of persisting in positive education.

He emphatically pointed out once again: To study and implement the resolution, we must not pursue formalism but really do something worthwhile in a down-to-earth manner.

Guan Guangfu demanded time and again: Party committees and governments at all levels must strengthen leadership over the building of spirit civilization. They must grasp it in depth, on a long-term basis, and to the end. He said: The party and government must suitably divide the work and work in coordination with each other. The building of spiritual civilization involves all of society. Leadership organs of the party and government at all levels must handle well the relationship between politics and profession and work hard to grasp them simultaneously. He demanded: Leaders and leadership organs at all levels must take the lead in doing a good job in the building of spiritual civilization themselves. In doing so, they are in a better position to have a say and to exercise leadership. At the same time, they must lay stress on grasping this work at the grass roots and on grasping typical examples, and must promptly sum up and disseminate the experience of typical examples to push the whole task forward.

During this period of investigation, Comrade Guan Guangfu also investigated and studied economic work and the situation in reform. He also talked about many important views.

#### WUHAN PEOPLE'S CONGRESS NAMES CITY OFFICIALS

HK070826 Wuhan CHANGJIANG RIBAO in Chinese 26 Oct 86 p 1

["Namelist of Appointments by the Wuhan City People's Congress Standing Committee"]

[Text] The 32d session of the 7th Wuhan City People's Congress Standing Committee decided to appoint Zhao Baojiang [6392 1405 3068] as the acting mayor of Wuhan City and Wang Shouhai [3769 1343 3189] as deputy mayor of Wuhan City; and, in connection with the nomination of Wuhan City People's Procurator Xu Guangyuan [6079 0342 6678], appoint Li Jieju [2621 2638 4251] as deputy procurator of Wuhan City People's Procuratorate and member of the city's Procuratorial Committee.

NEI MONGGOL OFFICIAL ON MAJOR WORK FOR 1987

SK070824 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 6 Nov 86

[Text] When making a report at the regional meeting of secretaries of various banner and country party committees, Bu He, deputy secretary of the regional party committee, said: The general guiding ideology for the 1987 work of the region is to hold high the banner of unity and construction; adhere to carrying out reform, opening to the outside world, and invigorating the economy; persist in simultaneously grasping the two civilizations; and strive to make still greater progress in all areas of work, particularly the work of developing the grass industry and animal husbandry, in order to celebrate with outstanding achievements the 40th anniversary of the founding of the Nei Monggol Region and to greet the successful convocation of the 13th party congress.

On the major work for 1987, Comrade Bu He set forth the following six tasks:

1. We should conscientiously study and implement the resolution of the 6th Plenary Session of the 12th CPC Central Committee and actually attend to the building of spiritual civilization. Leading cadres at or above the county and banner levels should pay attention to studying the three documents well and mastering the three skills, and should write well what they have learned from the study. First, we should conscientiously study the resolution of the 6th Plenary Session of the 12th CPC Central Committee and should master the skill of building the two civilizations simultaneously. Through study, we should not only solve the problem of separating the building of material civilization from that of spiritual civilization, but also eliminate the muddled idea that the building of spiritual civilization will naturally develop along with the development of material civilization. Second, we should conscientiously study the book "Explanation of Economic Terms," which will soon be published by the regional party committee, and master the skill of leading socialist commodity economy work. Through studying, we should strive to overcome the idea of the self-sufficient small-scale economy, the traditional economic idea, and the narrow view of closing our country to international exchanges; the idea of seeking a unique system; and the idea of being separatist in administration. We should cultivate the market as well as competitive ideas. Third, we should conscientiously study certain guiding principles for inner-party political life, and master the skill of setting an example in improving party style. On the basis of profoundly comprehending the guidelines of the resolution, we should do some things in a down-to-earth manner, and should, with the common ideal of invigorating Nei Monggol, mobilize and rally the people of all nationalities in the region to grasp the education about loving our motherland, the people, work, science, and socialism; the education about professional morality; the education about the legal system and discipline among the people of minority nationalities; and the education about science and general knowledge.

2. Further implementing the economic construction principle of developing diversified occupations, with the stress on forestry and animal husbandry, and striving to plant grass and trees to invigorate animal husbandry are the focus of the region's economic work for the next year and for a long time to come. We should readjust the investment structure and give prominence to major points. Beginning next year, the focus of the region's investment should be gradually placed on the grass industry and animal husbandry. In other words, we should concentrate on developing the grass industry, animal husbandry, the processing industry using such raw materials as agricultural, forest, and livestock products, and the secondary and the tertiary industries which serve the development of the grass industry and animal husbandry. Prominence should be given to the grass industry and animal husbandry in the field of distribution of financial, material, and human resources and to the energy of leaders and ordinary people.



We should gradually raise the proportion of investment in the grass industry and animal husbandry, and vigorously strengthen the scientific and technological work in a bid to promote the development of the grass industry and animal husbandry. We should further strengthen the leadership over scientific and technological departments, establish a powerful and efficient scientific service system for developing the grass industry and animal husbandry, and actually make the scientific and technological forces in this regard serve the grass industry and animal husbandry. We should also establish multilayer organizations for teaching the technology for developing the grass industry and animal husbandry. A scientific and technological popularization network should be established from the regional to sumu and gacha levels. Cultural stations in the rural and pastoral areas should serve as an important base for popularizing scientific and technological knowledge. We should strengthen the training among peasants and herdsmen in line with the implementation of the spark plan. At the same time, we should develop professional middle schools and technical schools in a planned manner in the rural and pastoral areas in order to cultivate primary and secondary-class scientific and technical personnel for developing the grass industry and animal husbandry. We should take the path of increasing the output value by developing industry. Based on the local natural resources, we should constantly expand the production channel and vigorously develop various aspects of the processing industry, which consume such raw materials as agricultural, forest, and livestock products. Meanwhile, we should develop the mining industry, the building materials industry, the construction industry, [word indistinct], and the small-scale power generation industry.

Town and township enterprises should develop more projects which are urgently needed and will yield quick benefits, and should do so individually, collectively, and cooperatively. We should further enliven the circulation channel and establish a circulation network with various levels, channels, forms, and contents. Circulation is inseparable from transportation. We should accelerate road construction in the rural and pastoral areas, mainly through the efforts of the people and through state support. We should vigorously develop lateral economic cooperation. Economic integration may be varied in forms and flexible in management methods.

3. In the coming winter-spring period, we should continue to grasp the work of combating disasters to protect animals and the work of providing for and helping ourselves by engaging in production, and should foster the idea of combating disasters in a protracted manner.

4. Centering on increasing economic results, we should continue to carry out reform and opening to the outside world in order to attain the goal of quadrupling our agricultural and industrial output value. At present, we should further define the scale of duties, rights, and benefits of enterprises, and fully mobilize the initiative and creativity of enterprises and their workers and staff members. Party committees and governments at all levels should conduct a conscientious and penetrating examination in line with the stipulations of the State Council on expanding the autonomy of enterprises, and then delegate all powers which should be delegated to enterprises. Next year, a big step should be made in the work of opening to the outside world. On the one hand, we should continue to break with the idea of closing our country to international exchanges and the idea of being afraid of suffering losses, and positively import advanced technology and capital from abroad and other places in the country. On the other hand, we should try every possible means to sell our products on international and domestic markets. In opening to the outside world, we should also pay attention to propagating the region.

5. We should continue to grasp the launching of activities for marking the 40th anniversary of the founding of the region and conscientiously arrange for various celebrations.



In this aspect, various departments at all levels should place the focus on conscientiously summing up the experiences gained in the nationalities work and on strengthening unity among all nationalities.

6. We should grasp the building of the party. To this end, we should give prominence to the following several points: First, we should grasp the building of party style. Second, we should conduct education about basic party information among the majority of party members. Third, we should strengthen the construction of party organizations at the grass-roots level. Fourth, we should further strengthen unity among party members.

Comrade Bu He said: To fulfill all tasks for 1987, party organizations at all levels in the region should further strengthen their leadership, improve their work style, and really perform their duties. The regional party committee should set an example in this regard. First, we should further separate party work from government work. Party committees at all levels should concentrate their energy on grasping the major event which bears on the overall situation, ideological and political work, and party building. Governments at all levels should establish powerful and efficient work systems to fully display their functions. In the course of separating party work from government work, we should also establish the system of the division of labor. Second, we should gradually delegate powers to lower levels, proceeding from reality. The regional authorities should delegate more powers to various leagues, cities, banners, and counties. Next year, experimental work should be conducted in various border and remote banners and counties. We should delegate part of personal, financial, material, and decisionmaking powers to lower levels in a planned and step-by-step manner, and implement the system of leaders assuming responsibility for fulfillment of targets within their term of office. Third, we should strengthen investigation and study. Next year, party and government leaders at or above the banner and county levels should use at least 2 months of time to go to the grass-roots units to conduct investigation and study of and give guidance to their work. Their investigation and study should be aimed at how to implement the programs for planting trees and grass to invigorate animal husbandry. Fourth, we should give different types of guidance to different cases, proceeding from reality. We should not only exploit our own favorable conditions and characteristics, but also pay attention to developing diversified occupations. By no means should we seek uniformity in this regard, nor should we develop a single product economy.

#### SHANXI GOVERNOR NOTES SOCIAL ORDER PROBLEMS

HK080303 Taiyuan Shanxi Provincial Service in Mandarin 2300 GMT 7 Nov 86

[Excerpts] A provincial symposium on the comprehensive treatment of social order problems concluded in 7 November after 4 days in session. [passage omitted]

Governor Wang Senhao delivered a report during the meeting. He said: The province has scored great success in cracking down hard on crime. Great progress has also been made in the comprehensive treatment of social order problems. However, we have not yet achieved a fundamental turn for the better in social order work, and the state of social order remains unbalanced, unstable, and unconsolidated. Serious threats to social order such as murder, rape, theft, and hooliganism are still occurring. There has been an increase in major theft cases. There are more cases of extortion, bribery, and corruption than previously. There is no end to ugly social phenomena such as gambling, prostitution, and showing obscene videotapes. It is essential to step up comprehensive handling of these problems in all aspects of society. [passage omitted]

HEILONGJIANG DESIGNATES GRAIN, SOYBEAN BASES

SK100656 Harbin HEILONGJIANG RIBAO in Chinese 27 Oct 86 p 1

[Excerpts] According to information obtained by this reporter from the provincial meeting on building grain production and soybean export bases, a total of 31 counties (cities) have been designated as the province's grain production bases by the provincial government, and 24 counties (cities) and 65 state farms have been designated as soybean export bases. During the "Seventh 5-Year Plan," the state will invest 975 million yuan in building these two types of bases.

The counties (cities) designated as grain production bases are Wuchang, Shuangcheng, Shangzhi, Yanshou, Fangzheng, Bayan, Tonghe, Zhaodong, Zhaozhou, Zhao yuan, Qinggan, Mingshui, Lanxi, Anda, Hailun, Suihua, Longjiang, Nehe, Gangan, Fuyu, Tailai, Lindian, Dorbod, Ningan, Hailin, Muling, Boli, Tanghuan, Jidong, Hulan, and Acheng.

The counties (cities) designated as soybean export bases are Fujin, Baiquan, Keshan, Binxian, Nenjiang, Kedong, Yilan, Jixian, Qingan, Huanan, Suiling, Dedu, Baoqing, Mishan, Huachuan, Beian, Yian, Linkou, Wangkui, suibin, Tongjiang. Hulin, Mulan, and Sunwu.

The state has decided to invest 257 million yuan in building the province's grain production bases during the "Seventh 5-Year Plan," of which 40 percent will be borne by the central authorities and 60 percent by the local authorities; and to invest 700 million yuan in building the province's soybean export bases, of which 50 percent will be borne by the local authorities.

During the "Sixth 5-Year Plan," there were only 6 commercial grain base counties (cities), and state investment in these bases was only 30 million yuan.

The state demands that during the "Seventh 5-Year Plan," the agricultural investment must be used to improve the conditions for grain production, to strengthen the momentum of grain production, and to raise the marketable rate of grain. This investment must be earmarked for its specified purpose only, and be managed strictly in order to ensure practical results. Every year the state should check up on the use of this investment. Those counties which use this investment in violation of the stipulations should have the investment withdrawn, and those which divert this investment to any other purpose should be punished for a breach of financial and economic discipline. Investment should be linked with marketable grain. A grain production base should turn in 2.5 kg of grain to the state annually for 1 yuan of investment. This will remain unchanged for 5 years. A soybean export base should export 8 kg of soybeans annually for 1 yuan of investment until 1990. [passage omitted]

HEILONGJIANG EXPORTS UP 63 PERCENT IN 1986

OW080240 Beijing XINHUA in English 0226 GMT 8 Nov 86

[Text] Harbin, November 8 (XINHUA) -- Northeast China's Heilongjiang Province has earned 450 million U.S. dollars in the first nine months of this year, 63 percent more than the same period of last year, according to the provincial Foreign Trade Department.

Since the province was given the power of handling imports and exports by itself in 1981, it has expanded its export market greatly. Now it has set up relations with some 1,700 businesses from 104 countries and regions.

Heilongjiang earned 420 million U.S. dollars in 1985, and its earning from exports has increased at an annual rate of 33.3 percent in the past five years.

Trade with the Soviet Union reached 32.5 million Swiss francs last year, increasing at an annual rate of 44 percent since it was started in 1983.

The province expects to make 850 million U.S. dollars by exports in 1990, double that of 1985.

To realize this goal, the province plans to concentrate its efforts to develop the products of which it has rich supplies or is specializing in, such as soybeans, linen, honey, leather, ginseng, machinery and electric engineering equipment, textile products, wood furniture, canned food, mineral products, construction materials, and petrochemicals.

To guarantee the supply and quality of these products, the province has chosen a number of farms and plants to specialize in their production for export.

#### JILIN SECRETARY ADDRESSES CLASS ON RESOLUTION

SK070720 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 Nov 86

[Text] The party school under the provincial party committee is holding short-term rotational classes for provincial-level party-member cadres and [words indistinct] to study in a concentrated way the CPC Central Committee's resolution on guiding principles for building spiritual civilization. The short-term rotational classes will be held on 10 occasions. The classes of the first stage opened on 4 November. Gao Di, secretary of the provincial party committee, spoke at the opening ceremony of the classes.

He said: The CPC Central Committee's resolution on guiding principles for building spiritual civilization adopted at the 6th Plenary Session of the 12th CPC Central Committee is a document of extreme importance related to the overall plan for the state's socialist modernization drive as well as a programmatic document to guide the state's socialist spiritual civilization to a path of sound development. The content of the document is very rich because it not only persists in but also develops Marxism, and has arranged a blueprint for how to build socialism with Chinese characteristics.

We must study it well. Leading cadres in particular should study it well so as to further clearly understand its great theoretical and practical significance.

He called on the participants to conscientiously study the document and to make efforts to understand its spiritual essence. We should link the study with our practical work, stress efficiency, emancipate our minds, [words indistinct], and strive to solve the problems related to [words indistinct] and mental state. Through study, we should attain the goal of upgrading our awareness, seeking unity of thought and strengthening party spirit.

#### BRIEFS

LIAONING TV TOWER -- Beijing, 30 Oct (XINHUA) -- According to a SHENYANG RIBAO report, the principal part of the Liaoning Color Television Tower was completed on 27 October. This project, which is the highest in Asia, is located on the banks of the Nanyun He in Shenyang City. The completed part is a 245.5-meter-high reinforced concrete structure. [Summary] [Beijing XINHUA Domestic Service in Chinese 0656 GMT 30 Oct 86 OW]

INITIATIVE PLANNED ON U.S. TRADE DISPUTE

OW100357 Taipei CNA in English 0334 GMT 10 Nov 86

[Text] Taipei, Nov. 8 (CNA) -- The Republic of China [ROC] has decided to take the initiative to settle its trade disputes with the United States through consultations so as to forestall possible American retaliatory measures against this nation, a ranking Economics Ministry official said Saturday.

The official said that the cabinet task force in charge of the ROC-USA trade has reviewed every possible way to solve the dispute over this nation's import of wine, beer and tobacco from the U.S.

"We won't sit here and wait for death in the face of the U.S. threat to take retaliation against us over our failing to give greater market access to U.S. cigarettes and alcoholic beverages," the official said.

The government will hold talks with the U.S. on the issue before it announces its retaliatory measures, the official said. He said the most suitable date for opening the talks might be within the next week.

PREMIER SAYS EFFORTS MADE TO IMPROVE U.S. TRADE

OW080425 Taipei, CNA in English 0233 GMT 8 Nov 86

[Text] Taipei, Nov 7 (CNA) -- Premier Yu Kuo-hua said Friday that the Republic of China [ROC] is making efforts to promote trade liberalization to improve the trade imbalance problem between the ROC and the United States.

Yu made the remarks at the opening ceremony of the 36th semi-annual meeting of the Asian Pacific Council of American Chambers of Commerce (APCAC) held at the Chung Shan Building on Yangminshan.

Yu said that the ROC is sincere about trying to narrow the trade gap between the two nations. The ROC has taken some measures in recent years to solve the problem such as tariff reduction, reducing restrictions on imports and purchasing equipment from the U.S. needed for the nation's big construction projects, he said.

Yu also expressed the hope that the American traders can make efforts to expand the markets in the ROC and provide the nation with machinery equipment and high technology products to better the economic and trade relations between the two countries.

Harry E. T. Thayer, director of Taipei office of American Institute in Taiwan, praised the ROC's economic achievements in recent years and attributed the economic success to the nation's open economic policy and well-trained manpower.

Thayer expressed the hope that American businessmen would take advantage of opportunity to develop the potential of the market here while the ROC is sparing no efforts to upgrade its industrial structure.



More than 100 delegates from Australia, New Zealand, India, Indonesia, Singapore, Malaysia, Thailand, Hong Kong, the Philippines, Guam, Okinawa, Japan, South Korea and Hawaii as well as the Republic of China are attending the two-day meeting.

CHINA POST EDITORIAL ON DEMOCRACY, RULE OF LAW

OW050551 Taipei CHINA POST in English 1 Nov 86 p 4

[Editorial: "Democracy and Rule of Law"]

[Text] With economic advancement and an increasingly open society, a movement for the complete realization of democracy is gaining momentum in the Republic of China [ROC]. Whether one likes it or not, there is no turning back the trend.

The government has had the foresight and wisdom to respond to the changing political winds. The ruling Kuomintang has recently decided to lift martial law and the ban on new political parties.

These farsighted moves will have a widespread and lasting influence on the political situation in this country. They will certainly help enhance the image of the ROC in the international community.

But it is worth remembering that democracy must be built on the rule of law if it is to benefit the nation. Democracy, which means rule by the people, could easily degenerate into mob rule. Chaos and disintegration would ensue if this should ever happen.

No one who wishes to see the ROC exist and grow strong would like to have that happen here.

Too many people here, however, are eager for democracy but have little respect for the law. This is why we believe there is still a long way for the ROC to go before the time is ripe for absolute democracy.

Take, for example, the recent politically motivated street demonstrations. The marchers ignored the fact that such actions are currently forbidden by law and they caused noise and disorder in the areas they passed. Their loudspeakers sent out appeals to stir up the people.

Action such as these have occurred more frequently over the past few years in this country. This wave of lawlessness has worried all those concerned about social stability and national development in this country. It is obvious that many of those who demand absolute democracy in the ROC have in fact been trampling on the rule of law. And it is obvious that these people care little about the public good, or national interests.

It took European nations centuries to attain their present forms of democracy. This being the case, there is no reason to expect a similar system to be established overnight in a country where traditional values are sharply different from those of the West.

Before full-fledged democracy is practiced in this country, the citizens must first develop a proper respect for the rule of law. The recent display of contempt for the law by radicals and malcontents indicates that Western-style democracy will remain unsuitable for the ROC for quite some time to come.

OPPOSITION DPP PARTY FORMATION DRAWS REACTION

## Platform Fails Standards

OW080531 Taipei International Service in English 0200 GMT 8 Nov 86

[Text] In Taipei, the newly proclaimed Democratic Progress Party [DPP] on Thursday announced a draft platform. The platform was seen, in many eyes, as failing to meet one and downplay another of the three guiding principles the government has laid down on the formation of new political parties.

The platform, which was announced at a press conference, said that the future of Taiwan should be determined by its inhabitants. This line echoes the call of the outlawed Taiwan Independence Movement. The government has said that any new political party to be formed must renounce secessionism and draw a clearcut line between itself and the Taiwan Independence Movement.

The draft platform also downplayed its anticommunist stand. Another ground rule laid down by the government is that a new party must have a definite anticommunist policy. The so-called platform also said that the new party opposed Peking's military threat to Taiwan and called for peaceful competition on equal footing between the two parts of China. The platform makes no mention of the Republic of the China's sovereignty claim over the mainland.

## Opposition Parties Doubtful

OW080435 Taipei CNA in English 0239 GMT 8 Nov 86

[Text] Taipei, Nov. 7 (CNA) -- Leaders of the Young China Party and China Democratic Socialist Party [CDSP] unanimously expressed their doubts Friday about the mentality of the so-called "Democratic Progressive Party" [DPP] in announcing its draft platform.

The self-proclaimed new party, in a press conference Thursday, announced a platform that fails to meet or downplays the three guiding principles the government has laid down for the formation of new political parties.

In an interview with CNA, Young China Party Chairman Li Huang said that it is regretful that the new party failed to specify itself a Chinese political party but adding the two characters Chung Kuo (China) to its full name as both his party and the China Democratic Socialist Party have done.

"From the platform, we cannot be sure whether DPP is pursuing a goal that will promote the well-being of the people of the nation as a whole or only a small group of the people," Li said.

CDSP Co-Chairman Yang Yu-tze said: "I see too much provincialism in the DPP's party line." Yang said he is disappointed that the DPP is downplaying its anti-communist stand. One of the ground rules laid down by the government is that a new party must adopt a clear anti-communist policy.

At the moment when the government is actively accelerating implementation of a democratic political system by studying how to go about annulling the nation's emergency decrees and revising the law of election and recall, Yang said, the inauguration of the DPP and its announcement of party line in violation of the law are not correct practices in a democratic country.

Meanwhile, another CDSP Co-Chairman Wang Shin-hsien said that the new party didn't clearly express its support for the government's three principles on new parties. He said he doubts that with such a party line, the DPP would be sincere in helping promote democratic politics here.

#### DPP PLANS FIRST CONVENTION BEFORE 6 DEC ELECTIONS

OW081241 Tokyo KYODO in English 1229 GMT 8 Nov 86

[Text] Taipei, Nov 8 (KYODO) -- The leader of a new Taiwanese political party leader said Saturday the party will hold its first convention early next week in defiance of a warning by the ruling Kuomintang (Nationalist Party) and authorities.

Yu Ching, leader of the Democratic Progressive Party [DPP], also told Japanese reporters that the party now has a membership of 2,500 and aims to increase the membership to 100,000 by the end of next September.

The new party was formed in late September, and had said earlier it would stage the convention before Taiwan's legislative elections are held on December 6.

Yu said the new party was formed after three years of preparations to break the Kuomintang's one-party rule and build a welfare society in a Western European style.

Yu also said anti-Kuomintang forces joined hands in forming the new party. The party's platform draft calls for self-determination by the Taiwanese people and for Taiwan to be readmitted to the United Nations.

The new party held local meetings at 16 places Saturday to elect 160 delegates and set up local chapters.

In the planned first convention in Taipei, the party will adopt a platform and rules and decide on its leadership and organization.

#### BRIEFS

NEW VICE ECONOMICS MINISTER -- Taipei, Oct. 22 (CNA) -- The Executive Yuan Tuesday approved the appointment of current Industrial Development Bureau Director Hsu Kuo-an to the post of administrative vice minister of the Economics Ministry [MOEA] effective Nov 1. Though he will start work two days beforehand, Hsu will be duly sworn into his new post, in which he will be in charge of the nation's industrial policy and operations, on Nov 3. His current post will be filled by Yang Shih-chien, deputy director of the Hsinchu Science-based Industrial Park Administration. Hsu replaces MOEA Administrative Vice Minister Wu Mei-tsun who died Oct 6 while receiving treatment for kidney stones. [Excerpts] [Taipei CNA in English 0249 GMT 23 Oct 86 OW]

TAIWAN-MADE MISSILES -- Premier Yu Kuo-hua presided over yesterday's renaming of ROC-made missiles at the Chungshan Institute of Science and Technology. The "Sky Bow" and "Sky Sword" missiles were officially renamed the "Chung Cheng (Chiang Kai-shek) 100" series by the Ministry of Defense in commemoration of the 100th birthday of the late President Chiang Kai-shek. Chung Cheng was the formal appellation of the late president. [Text] [Taipei CHINA POST in English 31 Oct 86 p 12 OW]

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PRC NOT TO INTERFERE IN LOCALIZATION

HK100429 Hong Kong SOUTH CHINA MORNING POST in English 10 Nov 86 p 1

[By Sa Ni Harte]

[Excerpt] The Chinese Government has adopted a hands-off attitude to Hong Kong's localisation policy which has led to a clash of views between local and expatriate civil servants.

The Chinese thinking is that localisation is a problem for the Hong Kong Government and China does not want to get involved to avoid making the local administration a "lame duck."

This view was expressed yesterday by a senior official of the Hong Kong Branch of the NEW CHINA NEWS AGENCY in response to questions about localisation and the prospects for expatriate civil servants.

The official said he hoped local and expatriate civil servants could work together in solving problems arising from the localisation policy.

He dispelled suggestions that Beijing would send officials to take up key posts in the future Special Administrative Region [SAR] government.

He said that according to the Sino-British Joint Declaration, China would not send officials to rule Hong Kong after 1997.

The Joint Declaration had clearly stipulated the thinking of the Chinese Government, which was that Hong Kong people would rule Hong Kong, he said.

The official said China did not want to see the morale of expatriate civil servants affected by localisation, and China hoped they would remain in Hong Kong.

The Joint Declaration states that "foreign nationals previously working in the public and police services in the Government departments of Hong Kong may remain in employment".

And that "British and other foreign nationals may also be employed to serve as advisers or hold certain public posts in Government departments of the Hong Kong SAR." [passage omitted]

POST-1997 CHIEF EXECUTIVE MAY BE ELECTED

HK070750 Hong Kong HONGKONG STANDARD in English 7 Nov 86 pp 1, 22

[Report from Shenzhen by Yau Shing-mu]

[Text] Hong Kong people may be able to choose the future head of the Special Administrative Region [SAR] before 1997 if Britain agrees.



And choosing the chief executive by one-man-one-vote is one of four options that will go before the full Basic Law Drafting Committee later this month.

The idea of the preselection of the SAR chief executive during the transitional period was discussed yesterday at a Basic Law Drafting Committee sub-group meeting in Shenzhen.

However, the drafters shared a common view that there will be "concrete difficulties" to conduct the selection before the British administration terminates.

A co-convenor of the group, Mr Xiao Wei-yun, told reporters that according to the Sino-British Joint Declaration, China will not interfere with the British administration in Hong Kong.

If China is going to hold elections before 1997 for the chief executive and the legislature, there are difficulties both from the point of the Joint Declaration and from a legal aspect, said Mr Xiao.

"We have difficulties. Therefore, we need to study this further," he added.

However, a number of points were agreed on by the 16 drafters meeting yesterday and they included that the term of the chief executive should be four to five years and he be allowed to serve two terms only.

The drafters also went through a report which recorded all the views expressed by the drafters in the past six months.

It listed four options for the selection of the chief executive and six options for the composition of the legislature.

The terms of reference of the chief executive have also been settled.

His duties will include the organisation of the executive branch of the government, appointment of the civil service and judges, nominations of principal secretaries, promulgation of legislation, and representations of the SAR to handle matters authorised by the central authorities.

The drafters agreed that the chief executive will be "substantially" appointed by the Chinese Central Government.

A co-convenor, Mr Louis Cha said: "That means the central authority has the power to veto the result of the selection."

For the legislature, six options are given in the report.

-- All legislators be elected through functional constituencies or by indirect elections;

-- Half of the legislators be elected by functional constituencies, one-quarter by electoral college, and the remaining quarter by territorial constituencies;

-- All legislators be elected by one-man-one-vote;

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-- Half of the legislators by functional constituencies and the other half by territorial constituencies;

-- Half of the legislators by direct elections based on territorial constituencies, one-quarter by functional constituencies and the remaining quarter by territorial bodies like the Urban Council, Regional Council and district boards;

-- No fixed ratio in the composition be written in the Basic Law.

As far as the general objective of the SAR political system is concerned, Mr Cha said there is one point which pleased every drafter.

"The objective is to enhance democratic participation gradually in the context of Hong Kong. This is a progressive notion that I think everybody would like to see."

Democratic participation implies elections. But in the context of HK it also means that "the system is not copied from elsewhere" and gradually means no "sudden or drastic changes" he explained.

Mr Xiao also stressed that no power vacuum should be left behind when the British leave Hong Kong.

#### ZHONGGUO TONGXUN SHE COMMENTARY ON ELECTIONS

HK071240 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1019 GMT 7 Nov 86

[Commentary by Yu Jin (0060 0093): "Hong Kong People Debate the Future Political System"]

[Text] Hong Kong, 7 Nov (ZHONGGUO TONGXUN SHE) -- Recently, discussions on Hong Kong's future political system have led to a sensation. So far, 57 members of the Basic Law Consultative Committee, 191 social celebrities, another 71 members of the Basic Law Consultative Committee who are either professionals, industrialists, or businessmen, and some other well-known people have jointly or individually presented proposals on Hong Kong's future political system. On 2 Nov, 91 organizations jointly held a "Ko Shan Theater Rally on Democratic Government," which was attended by 1,000 people. On 5 November, when the governor's report was being discussed and commented on at the Hong Kong Legislative Council, several councillors expressed their opinions on Hong Kong's future political development.

People hold different opinions on Hong Kong's future political system. This is natural that disagreement should lead to debates. As the common saying goes, truth is revealed through debates. A certain degree of consensus on certain issues can be reached through discussion, although it is difficult to make holders of different opinions completely agree with one another. In spite of all this, the various parties involved in carrying out the reform of Hong Kong's political system and in the formulation of its Basic Law can use these opinions as reference.

Last year, China and Britain also had differences over the reform of Hong Kong's political system. However, thanks to the sincere consultations between them, they have reached the following common understanding: The reform of Hong Kong's political system must be based on the Sino-British Joint Declaration, should be beneficial to Hong Kong's prosperity and stability, and should contribute to developing Hong Kong's version of capitalism. In addition, they also agree that the reform of Hong Kong's political system must be consistent with the Basic law. Now there is a solid basis for Sino-British cooperation.

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People have been discussing the issue of holding direct elections in Hong Kong for a whole year. However, opinions differ on the question of whether direct elections are suitable for Hong Kong, on the time direct elections will be held, and on the ratio of directly elected legislative councilors. It is believed that conclusions acceptable to the majority of Hong Kong people can be arrived at through dispassionate discussions.

A short while ago, some people criticized Beijing for raising objections to holding direct elections in Hong Kong. Later, some Chinese officials indicated that China favors democracy in Hong Kong. According to Li Hou, deputy director of the Hong Kong and Macao Affairs office under the State Council, whether direct elections will be held in Hong Kong after 1997 depends on Hong Kong's people's opinions. However, at present, Hong Kong people are divided on this issue. It is difficult to foretell whether or not they can agree on this issue by 1988. Therefore it is rather premature to comment on Beijing's attitude regarding direct elections.

In fact, those who favor holding direct election in Hong Kong in 1988 are also divided on this issue. Some have suggested that "Beijing intervention" can be prevented only by doing this. We may for the time being abstain from judging whether or not this view is correct. It indeed tells us that there are people who are worrying that Beijing might interfere in Hong Kong affairs after 1997. However, their worries can only be gradually dispelled through in-depth discussions and by future practice and facts.

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